

**Report of the Eleventh Seminar  
conducted by CNA and ISKRAN  
on Russian-American Relations,  
December, 1998**

**Vol. II: Detailed Discussions**

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# **Eleventh CNA-ISKRAN Seminar: “Russian-American Relations in the Military-Strategic Sphere”**

The Tourist Center, Suzdal, 12-13 December 1998

## **I. The Contemporary International Situation as Perceived from Russia and the United States**

**Dr. Rogov.** Welcome to the 11th in our series of CNA-ISKRAN meetings over the last six years. We should be happy with the success of our meetings, though we have not attained all that we have hoped. We have contributed to the stabilizing of relations between the United States and Russia. I want to remind everyone that today is a great holiday in Russia: it is Constitution Day and it is Dr. Irina Modnikova's birthday. (Dr. Rogov introduced Maj. Gen. Leonid Simeikovich, commander of the SRF division headquartered in Vladimir.)

**Mr. McGiffert.** There is an upbeat mood in the United States. Americans have experienced seven years of significant economic growth. Their real incomes are up, while inflation and unemployment are at record lows. The Lewinsky scandal is debilitating but thus far has had a limited effect. The political system will absorb the scandal in a relatively short time, perhaps a year, and then it will be history. The President will remain in office until the end of his term.

The most serious issues we face are domestic. These include the reform of social security, Medicare (the health insurance plan for the aged), and of public education.

America is at peace. We face no significant threats. The level of public interest in foreign affairs is low, as shown by the minimal role that international issues had in the recent elections.

The mood in the U.S. military is not so upbeat. Good job opportunities outside the military are making it difficult to recruit new soldiers. The military budget drifts lower in its real purchasing power. It does not provide sufficient funds to pay simultaneously for the high level of readiness and the modernization of weapons systems. Some believe the resource gap can be filled through increased spending. Others say we should change the overly ambitious planning criteria we set for ourselves (i.e., being able to fight two major regional conflicts nearly simultaneously). The future of the military budget is unclear. A small increase is coming this year. Further increases depend on our realizing a continuing budget surplus.

Now I will discuss the kinds of threats preoccupying most of the U.S. foreign policy establishment. People differ on what the priority among these should be.

- **The development we fear the most is the collapse of the world economy.** It could lead to widespread unrest, instability, and the spread of conflict that might produce. The international financial system is poorly understood. It suffers from inadequate transparency and weak regulations. There is a lot of capital around the world that appears to move suddenly and unpredictably. It remains unclear whether the problems that began in Asia, spread to Russia, and are now spreading to Brazil, can be stopped. What seems clear is that a small event can trigger a catastrophic loss of public confidence in the system. But for a massive bailout of an overexposed hedge fund, Wall Street might have experienced an even sharper collapse.
- **The second threat we fear is WMD proliferation.** Russia and the United States agree on the objective of containing Saddam's redevelopment of these weapons, though we differ from time to time on how best to promote this objective. It is logical for Iran to try to develop such weapons, given Iraq's efforts. Our differences are greater with respect to Iran. A recent *Moscow Times* article said Iran is trying to persuade Russians to come to Iran to help develop a biological weapons program. The United States has poor relations with Iran, for historical reasons. It is hard for us to take advantage of Khatami's liberalizing

trend. I will come back to the problem of North Korea later. We were disappointed that India and Pakistan tested nuclear weapons. We hope they won't continue on to produce them and will sign the CTBT. It is hard to persuade them to sign it since we haven't ratified the treaty ourselves.

- **The third threat the U.S. foreign policy establishment worries about is international terrorism.** While we have had only one major incident—the bombing of the World Trade Center in New York—it is inevitable that the U.S. will be more of a target. It is difficult for an open society to deal with terrorism, so international cooperation is essential. A limited use of preemptive force is an appropriate defense. The American use of force in Afghanistan and the Sudan were designed to send the message that it is not without risk to provide safe havens for terrorists.

I will now review some important regional issues.

- **In northeast Asia,** peace has lasted for 45 years despite an historical tradition of hostility among the major countries, the absence of a systematic security dialogue, and the lack of multilateral security institutions. We Americans like to believe that this equilibrium results from the wise policies the United States has pursued in the region, including our treaties with Japan and South Korea and the continued deployment of 100,000 U.S. military personnel in the area.
  - In the long term, the existing equilibrium will be affected by the growth of **China's** power. The trick will be to make timely policy adjustments to accommodate this far-reaching development. It is only through China's continued economic growth that it will remain at peace with the world, not through some kind of American-led containment policy. Unfortunately, many Chinese see the U.S. policy as one of containment.
  - In the short term, there are two major problems. The first is the challenge of dealing with **North Korea**. Four years ago, North Korea seemed prepared to produce nuclear weapons. Only serious U.S. pressure made it accept a diplomatic arrangement, the Agreed Framework. That agree-



ment is now in trouble. Intelligence analysis suggests that North Korea is building an underground facility in order to develop nuclear weapons. In addition, a significant minority in Congress sees the Agreed Framework as nothing more than a bribe to a North Korean leadership that is bluffing. The situation is particularly dangerous because of the enigmatic character of the North Korean government. Their new leader is untested. What kind of judgment does he have? Is he captive of the military? Is he as isolated as we hear? North Korea has substantial forces, with artillery in reach of Seoul, and IRBMs that can reach Japan. Bill Perry is now examining all this as a special envoy of the President. The bottom line is that it is difficult to know how seriously to treat this problem. We have had cliffhangers in the past.

— **Taiwan** presents the second short-term problem in north-eastern Asia. It could be more serious since it could involve the U.S. in a war with China. Although the island has attained de facto independence, China says a formal declaration of independence would cause them to attack. Taiwan has strong support in our Congress. We are trying through private and open channels to make it clear that if Taiwan provokes China for symbolic reasons, they cannot count on American support. In the recent election, the DPP toned down their independence rhetoric, and their candidate for mayor of Taipei lost.

- **In the Middle East**, we already have discussed Iraq and Iran. The Arab-Israeli peace process continues at a snail's pace, though the United States is pushing as hard as it can.
- **In Europe**, Americans are concerned by the continued economic stagnation in Bosnia. There is no economic growth nor political integration. We welcome the opportunity here to work together with Russia and other countries. It is hard to see the light at the end of the tunnel. Kosovo presents a domino problem. I remember a speech by Warren Christopher in 1994 in which he warned that conflicts in Kosovo and Macedonia could spill over into Greece and Turkey, leading to another Balkan war. This is a colossal mess. It needs international cooperation.

With respect to U.S.-Russian relations, Americans see Russia as a work in progress. You know the economic difficulties: capital flight, a lack of international investment, a barter economy. The short-term cures may make long-term recovery more difficult. It also appears to us that, with a President so physically incapacitated, you have a leadership problem. Americans also are concerned about the safety of Russia's nuclear weapons, with a lack of pay, and with the deterioration of your early warning system. You share those concerns. We have been impressed by how you are currently handling all these problems within the constitutional system. This is a plus.

**Dr. Rogov.** I find it encouraging to hear how many problems Americans have. I wish we had your problems. Today is the seventh anniversary of the USSR's dissolution. The last seven years have been some of the most difficult in Russia's history. It has been difficult to move to a market economy, especially since we had no model for reform. The reformers produced an economic disaster. Russia's GDP fell by 50% during the last seven years. This year Russia's GDP fell by another 6-7%. Next year it should fall by another 10%. This decline is one of the consequences of the simultaneous devaluation of the ruble and the default on the debt.

Americans saw these young reformers as a Russian "dream team," and provided them with much support. As a result of their failures, the reform process has been discredited in Russia. It is impossible to manage how the reformers could return to power in Russia through free elections. They will receive 3% of the votes at best. In the recent elections in St. Petersburg, where their support is strongest, they received only 4%.

The fall-out of the misguided reform process is also a problem for U.S.-Russian relations. The failed reform policies were undertaken with the guidance and financial support of the IMF and the U.S. Treasury Department. There is a trend in Russia to blame the United States for Russia's economic collapse. Many even believe the United States deliberately set out to weaken Russia. He doesn't think this is true, but the U.S. is associated with the fatal policy.

What is Russia's condition today? The Russian government's draft budget estimates Russia's GDP at about four trillion rubles, which

equals about \$200 billion. This is a ridiculously small figure for a great nation like Russia, with its rich natural and human resources. Next year's federal budget will be \$25 billion, or 30 percent of the U.S. Navy's budget. But revenues last year were only \$16 billion. The safety net is collapsing. Aside from all the other problems, such a low level of federal spending makes it extremely difficult to carry out military reform. The government has proposed spending only \$4.5 billion on the Russian military. The Russian military is doing a "mission impossible."

The most serious challenge for the Russian government is not the nonpayment of wages, but the tremendous foreign debt resulting from the misguided policies of the past. Next year alone Russia has to repay \$20 billion. We can't do it. We inherited more than half the present debt from the Soviet Union. A lot of it was accumulated while Soviet troops were withdrawing from Eastern Europe. One can draw the unpleasant analogy that Russia, like Weimar Germany, must pay a kind of reparations for losing the Cold War. In this view, IMF assistance can be likened to the pathetic Dawes and Young plans of the 1920s.

Our inability to repay our debts presents difficulties for both Russia and the West. The new government is not responsible for the policy failures of the last few years, but it has to deal with the consequences. This means it does not have the opportunity to develop a comprehensive economic reform program. It must try to keep the boat afloat in the midst of a heavy storm.

But there are indications that Primakov is very concerned about developing long-term economic strategy. Primakov's speech at Davos suggests how he plans to save Russia over the long-term. The main problem is to restore citizens' trust in the government. The second task is to reduce the role of barter in the Russian economy. Yavlinsky says 75-84% of the Russian economy operates on the basis of primitive market exchange. This explains the paradox of Russians' complaining about their high tax burden at a time when the government is unable to collect adequate revenue. The 16-25% of the Russian economy not involved in barter must provide through high taxes sufficient funds to compensate for the rest of the economy that is not subject to

taxation. Our Institute paid more in taxes last year than it received from the state budget. Primakov is supporting a kind of Reaganesque tax reform program. It envisages using lower taxes as a mechanism for spurring economic growth and increased government revenue. This is a risky strategy. I think it will work, but not immediately.

Primakov definitely does not correspond to the U.S. vision of reform. The two years that Primakov was Foreign Minister were difficult years for U.S.-Russian relations. Primakov did not always say "yes" like Mr. Kozyrev. But Primakov, while promoting Russia's national interest, demonstrates that he can deliver what he promises. It was only Primakov who could have negotiated the Founding Act, who probably next year will deliver START II, and who—if we get a break—will be able to fulfill Russia's obligations in the economic field (by obtaining the rescheduling of Russian debts).

Given our domestic problems, foreign policy does not dominate Russian political debates (neither does it in America). But that does not mean that we do not face serious problems in this area. We find ourselves negotiating from a position of weakness. Russia could remain a marginal actor in the world economy whose role would consist primarily of supplying raw materials to others. We could remain excluded from the main international decision-making bodies such as NATO, the IMF, and the World Trade Organization.

NATO expansion still remains a major area of tension between Russia and the West. Few Russians believe NATO will attack Russia. But if NATO is the dominant security institution in Europe, it means we are excluded from the postwar European security environment.

Very few Russians lose sleep over Kosovo. But nobody in Russia can agree to NATO's making unilateral decisions regarding the use of force in Bosnia or elsewhere without Russia's agreement. Look at the dénouement of last summer's crisis: Russia was able to use to good measure its membership in the NATO Permanent Joint Council, the United Nations, and the Contact Group to promote a resolution of the crisis while averting a crisis in U.S.-Russian relations. If NATO had employed force without UNSC approval two months ago, it would have led to a freezing of Russia's involvement in NATO. Instead, we can build on our past successes and move forward.

There are other regional issues where the United States and Russia appear to be moving apart: e.g., Iraq, Iran. This is unfortunate, because in principle we agree on the issues involved. Our disputes on regional issues can really undermine U.S.-Russian relations, especially if we see a linkage between Russia's policies towards these regions and U.S. economic assistance, especially concerning Russia's foreign debt. One can understand the American position. The Americans are giving Russians money, yet the Russians create problems for the Americans in regions of conflict. But do you expect Russia to act against its national interests? So, while there is a need to reassess our regional positions, it should be done by both sides. The American temptation to act unilaterally, and use force on all occasions, is not very wise.

I also can understand why Americans want to restrict Russian arms transfers to these regions. But you do not consult with us when you transfer weapons or technology to Israel, Taiwan, Saudi Arabia, or your European allies that are close to our borders.

The Russian-American agenda is changing. For the first time, it is dominated by economic issues. It is an asymmetric situation that is difficult for both our countries. But opportunities exist where we can both work together. We can use the successful resolution of Kosovo as a starting point. We can use START II ratification to move forward on arms control, including beginning START III negotiations and revising the CFE Treaty.

**Dr. Krivokhizha.** I want to thank the organizers for choosing to hold our conference in Suzdal. The world looks different here than from Moscow. In the United States, the economy is spread out across the country. In Russia, 80% of the economy is concentrated in Moscow.

The current international situation is unpredictable—and is therefore dangerous. The different parties look at the world differently. I do not believe that during the Cold War the NATO and Warsaw Pact countries saw the world more correctly. But at that time there was more mutual understanding. We saw the world in approximately the same way.

I plan to speak frankly, though I know Americans only want to hear pretty things. There is no crisis in U.S.-Russian relations. There is a crisis of petty irritants. Today, there are more than 20 possible points of contention. In addition, the United States and the IMF are associated with Russia's failed reform program. Few Russians, though, are concerned with U.S.-Russian relations, being preoccupied with their domestic problems. There was a need to find common denominators in our visions of the world. This did not occur. What we lack is a system of coordinates in international relations. Instead, each country has its own system of analyzing the world.

There was also that curious incident involving the near collision of U.S. and Russian submarines last December (1997). At the time, the Russian side was destroying SLBMs by launching them in accordance with the requirements of START I. American and other foreign inspectors were present. But for some reason a U.S. submarine was also in the area monitoring the launch. Someone has tried to explain to us why this occurred—something about a need for a hydro-acoustics picture. But the differences between us in the perceptions of this situation arose from the larger problems between us.

When one examines Russian policies during the past two centuries, one sees a constant Russian interest in the United States. Even the Soviet Communist leaders wanted good relations with the United States. Today, Russian-American and American-Russian relations are not equal in terms of priorities. The Russians are far more concerned about the United States than Americans are about Russia. This had led to a paradoxical situation. Russians are now trying to develop relations with other countries such as Germany, China, and Iran on an accelerated basis. Our priorities are not mirror images.

I would like to end on a positive note. Forty years ago Senator Fulbright wrote about "the arrogance of power." When Russia leaves its current crisis, our vision of mutual relations, and towards third countries, will be closer. Our mutual cooperation is being enhanced by our reassessment of the Cold War period. The Cold War era was very comfortable. Few countries benefited as much as the United States.

**Dr. Gaffney.** We are aware of the dangers of the arrogance of power. Yet, I find it hard to see such arrogance with respect to, for example,

U.S. policy toward Taiwan. During the last few years Americans had lost interest in Taiwan, which encouraged the Chinese to adopt a more assertive policy toward the island. Where is the U.S. arrogance of power with respect to Taiwan?

**Dr. Krivokhizha.** Taiwan is not the best example. The situation in Taiwan is advantageous to all—in the first place, to the People's Republic. It has nothing to do with U.S.-Russian relations.

**Mr. McGiffert.** I would like to comment briefly on what you said about NATO's not using force unilaterally—that is, without Russian participation in the decision-making process. I agree with you. I think it very important for both sides to approach this issue with an attitude of reticence. The United States and NATO should be reticent about making unilateral decisions. And the Russian side should be reticent about asserting a right of veto. If Russia were to assert such a right, the reaction on the U.S. side would be very unfavorable to Russia. With good will and great efforts on both sides, we can manage the situation.

**Dr. Rogov.** Let me give you an example of Russians' concern about Americans' unilateral use of force. Many Russians see the Taliban movement in Afghanistan as a threat to their Central Asian neighbors and to Russian national security itself. But look at how we reacted when you attacked Taliban territory with cruise missiles: we attacked you for acting unilaterally.

**General Zolotarev.** It is no accident that Russia's economic collapse most concerns both Americans and Russians. The United States should be the country most interested in Russia's economic revival. It should want to see Russia as an industrial power, not just as a raw material supplier to the West. Russia is already suffering from its overdependence on the export of raw materials, especially oil, whose price has fallen dramatically recently. The United States wants to declare the Caucasus and Central Asia, regions rich in energy resources, as areas of vital interest to the U.S. The basis exists for international cooperation that can help impose a mechanism for regulating such crises.

The United States lacks the capacity to act as the sole leader of the world. A unipolar world cannot be stable. It is in America's and Russia's interest that China not become the second pole. We agree on that. It would be far better from the U.S. point of view if Russia were to become the second pole—though not in the old way. The United States needs a strong Russia, a Russia that's a major industrial power.

My own personal view is that the threat of the use of WMD is not that great. Countries want to acquire WMD to become more independent. Many opportunities exist for other countries to try to influence their policies. The United States needs to abandon its use of a "double standard" toward countries seeking WMD. One need only compare U.S. policy toward Israel and Pakistan with its policy toward Iran and Iraq.

**General Zlenko.** When I read the U.S. administration's most recent *National Security Strategy*, I was sorry to see that Russia is no longer seen as a possible threat, at least as far as the navy is concerned. In our country, we believe we need enough strength to be independent.

Today, the financial crisis is seen as the greatest threat to the world. Russian participants in the recent Asian-Pacific Forum in Tokyo, who anticipated discussing regional security in the Pacific, found that financial issues rather than the increase in China's military power dominated the discussions. The Asian financial crisis might lead to the military's coming to power in those countries. I also was struck by how other participants saw a threat in the non-payment of salaries to the Russian military. We Russians never considered our non-payments crisis a threat to Pacific stability.

With respect to NATO issues, a mechanism exists to lessen tensions: The Founding Act. The institutions that were set up by it allow for consultations at the highest level. But we want to go beyond consultations for the sake of consultations. We want to move from joint discussions to joint decision-making. We need to promote dialogue between our senior leaders—even if only by telephone. We should use all possible mechanisms to reduce tensions and risks between us.

**Dr. Mazing.** We also need to consider the possibility of the disintegration of the Russian Federation. Ties between Moscow and the regions are weakening, both economically and politically. The situation is



analogous to that which led to the disintegration of the USSR. The standard of living in the regions is low. The inhabitants are getting very little help from Moscow. They often have better economic ties with neighboring countries. This issue is a constant topic in the Russian media. Some regions will be economically strong and influential; others will not be. The local elites are constantly trying to expand their power, just like the leaders of the former Soviet republics. This situation could present dangers to the whole world. Consider, for example, what would happen should the Russian armed forces disintegrate. This should be of concern to Americans.

**Dr. Rogov.** It is true that we have serious problems that could affect Russia's survival. But you should not consider them as threatening to lead to Russia's disintegration. Today, we should be somewhat optimistic. For the first time, the Prime Minister enjoys wide support in the Duma. This increases the chances of successful economic reform, START II ratification, etc. I anticipate economic reform succeeding after a few years—that is, after we have gotten rid of the barter economy. It would also take a favorable legislative environment. Only this would attract outside investment. The present problems are great. But if you look at Russian history, you see that Russia experiences these major crises on the average of once a century. Since we have already experienced two major crises this century, maybe we will not suffer one in the next century.

## II. Strategic Stability under Contemporary Conditions

**Ambassador Brooks.** There are hopeful signs that START II will soon be ratified, and that both sides will move quickly to negotiate START III. This is very good news. The purpose of unofficial seminars such as this one, however, is that they allow the participants to discuss problems not on the official agenda. In that spirit, I want to raise a new issue that I believe our countries will need to deal with during the next few years: national missile defense (NMD).

It may seem strange to call this a new issue. But there is something new: a change in the political attitude in the United States toward missile defense. In my personal capacity, I want to discuss what I believe this change implies for U.S.-Russian relations.

Until very recently, U.S. attention focused mostly on TBMD, which enjoyed strong military support. Americans do not see TBMD as a threat to Russia's strategic weapons. The U.S. military has not been very interested in NMD because it has not perceived a threat to the U.S. homeland from ballistic missiles. It also has feared that the high costs of deploying such a system would draw funds away from programs it values more highly.

Current administration policy is to attain a position where the United States can deploy a NMD system in three years should a threat arise. By 2000, we will be able to deploy a very limited system in three years, if we want to. It could possibly handle at most some 20-40 warheads, and therefore would not change the strategic balance between the United States and Russia even under START III.

But recent developments have led to growing support for a more effective NMD. First, the Rumsfeld Commission found that other countries, by following a path different from that used by the United States and the USSR, could develop ballistic missiles in 5 rather than 15 years, the figure used in previous studies. Second, North Korea's subsequent launch of a ballistic missile over Japan seemed to confirm the Commission's warning. Third, the U.S. Congress seems more willing to increase the defense budget.

The NMD systems under discussion in the United States today almost certainly will not be consistent with the ABM Treaty. The single site the Treaty allows the United States in North Dakota would not allow the system to defend the entire country.

The current administration is very committed to the Treaty. If Vice President Gore becomes President, I anticipate the same degree of commitment. But other possible U.S. Presidents might be prepared to withdraw from the ABM Treaty unilaterally, under the "supreme national interest" clause.

If this analysis is correct, we must begin to think about how both sides can prepare for such a situation. We could possibly agree on the widespread sharing of BMD technical data. The United States also might agree not to withdraw from a revised treaty for, say, a period of ten years. We also could ensure that we make only the minimum changes

necessary. For example, we could permit only a limited increase in the number of ground-based interceptors.

I understand that Russians will try to explain to me why any changes to the Treaty would be a bad idea. But trends in the United States are working against this position.

The purpose of our seminars is to discuss such difficult issues. I welcome your comments.

**Dr. Rogov.** This is a good issue for discussion. We need to think about future issues.

**General Yesin.** I want to discuss Russian views and policies regarding nuclear deterrence, especially the July 3 decision of the (Russian) Security Council on this issue.

Russia sees nuclear deterrence as an essential political means to forestall any aggression that could threaten the territorial integrity of Russia or its allies. Any actual use can only be in extreme cases. Russia's strategic policy consists of the following key elements:

- Nuclear deterrence operates at both the global and regional level.
- Both strategic and tactical forces must guarantee its effectiveness.
- Nuclear forces should be maintained at the minimum level necessary to overcome others' defense capacities and exert military and political deterrence.
- The nuclear triad must be preserved, and this means we need a balanced development between new systems and life extensions of old systems. We recently demonstrated that we could launch an SS-24 that had extended service life.
- The security in storage of nuclear weapons must be ensured.
- We need to ratify START II and then go on to START III—but only if the ABM Treaty is strictly observed.

- The effectiveness of the 1968 NPT must be preserved and its scope should be widened.
- The suspension of nuclear tests must be continued.

If all goes well, Russia can alter its policy. But if not, Russian policy can go off in different directions.

With respect to the ABM Treaty, we were very concerned by Senator Kyl's speech, under the auspices of the National Institute for Public Policy, in which he called on the United States to withdraw from the Treaty. He asserted that Russia's reaction would be comparable to its response to NATO expansion: initial protests followed by acquiescence. I can assure you that our reaction would be much stronger. Such a move would not only radically worsen U.S.-Russian relations, but also risk returning the world to the state of global instability that characterized the Cold War period.

Another problem will arise if NATO expands further—say, to include the Baltic states. This would constitute a direct confrontation with Russia. Russia would be forced to take steps.

Now several words on Russia's strategic forces. At present, we have 5,300 nuclear warheads, which is under the START I limits except for some parameters relating to the SS-18 heavy ICBMs. By the end of 2003, we will have no more than 3,500 nuclear warheads. There could have even fewer if we have START III. As for the year 2010, 1,500 nuclear warheads would be the minimally-acceptable level for the Strategic Rocket Forces. Russia is willing to reduce its strategic forces if other countries are also reasonable.

With respect to Ambassador Brooks' proposal regarding changes in the ABM Treaty, my personal view is that there is no doubt that the Treaty should be modified in accordance with changes in the world situation. But any changes must be made on a bilateral basis, taking into account the interests of both sides. The changes must be made legally, as appendices to previous agreements.

**Ambassador Brooks.** At the end of his presentation, General Yesin spoke about the need to take into account the nuclear potential of other countries. In my country, we believe that START III should con-

cern only the United States and Russia. How do you see other countries being included?

**General Yesin.** The Russian side also understands that START III will involve only the United States and Russia. With respect to other countries, I meant that our ability to reduce our nuclear forces depends on their policies.

**Dr. Weitz.** Would introduction of TBMD, especially TBMD sea-based in the Pacific, be seen not as a threat to Russia and thus not harmful to U.S.-Russian relations?

**Dr. Rogov.** Ambassador Brooks didn't cover further reductions of U.S. strategic nuclear forces below START II levels. Could you talk a bit about possible future reductions in U.S. strategic forces?

**Ambassador Brooks.** My personal view is that, at the moment the moment, the mood in the United States is not to go below Helsinki's 2,000-2,500 warheads. The United States will want to keep 14 SSBNs because we think it important that SSBNs deploy in both the Atlantic and the Pacific—in the Pacific because we are concerned about China—and 14 is the smallest number that will allow us to do this. There might be some interest in reducing the number of missiles carried by each submarine. This would save money and reduce the U.S. upload potential.

I think the number of bombers will be determined by the need for them to perform non-nuclear missions, not nuclear missions. The nuclear mission would be quite secondary. But I believe the United States will want to keep more bombers but modify them so that they carry fewer weapons. This presumably means reducing the number of missiles under their wings.

As for our ICBMs, as a sailor I think SLBMs are better than ICBMs, so I am perhaps more willing to see a reduction in ICBMs than my colleagues. I expect we will try to keep 200-300 ICBMs, rather than the 500 allowed under START III. But the exact number will be an issue for discussion within the U.S. military.

If you add up these totals, you will see why for a while at least the U.S. military will not be interested in going below the levels agreed to at Helsinki. The military always wants more weapons than eventually are deployed. In START II, for example, it wanted 4,500 warheads. But for now our government will want to proceed on the basis of the Helsinki agreement.

**Dr. Unsafe.** If Russia withdraws its SSBNs from the Pacific, will the United States still insist on keeping 7 SSBNs in the Pacific?

**Ambassador Brooks.** The United States will want to keep SSBNs in the Pacific for two reasons. Our bases on the Atlantic coast were designed to handle 10 SSBNs. They could possibly handle 11, but it would be too expensive to modify them to handle 14.

The strategic reason is that it is important for us to be able to reach targets in China without having to launch the missiles over Russian territory. It is much easier to do this if you have SSBNs operating in the Pacific.

**General Zlenko.** The five-year review of the ABM Treaty said that it should continue in force. Our fear of U.S. withdrawal is not a new one for us—we've always thought it just a matter of time. But U.S. intentions now are not related to radical changes in the world. We are concerned about Chinese missiles aimed at both Russia and the United States. We also are concerned about British and French missiles aimed at Russia and possibly the United States. No other countries have yet developed missiles that could fly across the Atlantic or the Pacific and reach the United States. Yet, the United States continues to push ABM-related research and has already partially developed an ABM system. It would not benefit the world for the United States to develop an ABM system. It would weaken Russia's strategic capacity, which is the basis of mutual deterrence. Russia would take steps to penetrate it. The fact that the United States is planning to withdraw from the ABM Treaty will hurt the START process. The Ministry of Foreign Affairs has assured the Duma that the United States will continue to adhere to the ABM Treaty. If it does not, the Duma will reconsider existing strategic arms control agreements. This will lead to a new arms race.

To summarize our fears, if the U.S. were to withdraw from the ABM Treaty:

- The United States may assert leadership in a broad range of policies.
- Russia may have only kasha to eat, but we'll build a new weapon to defeat ABM.
- We'll both go back to the Cold War and worse.

**Dr. Rogov.** It would be very difficult for Russia to reduce its forces unilaterally to a level 50% less than that possessed by the United States. I see possibilities for the United States to go to lower numbers. The further conventional conversion of U.S. heavy bombers would allow the United States to eliminate at least 800 warheads. It could also reduce its Minuteman ICBMs and download its D-5s even more. I know that there are technical problems, but it can be done.

The system of mutual nuclear deterrence presumes the interdependence of our nuclear forces. Current Russian plans do not envisage disrupting this equilibrium.

I know that Ambassador Brooks is not in favor of NMD, so I will not shoot the messenger. Please don't take what I am going to say as the official Russian position. The Russian military will insist on a strict interpretation of the ABM Treaty. But we should look at the reality and some alternative scenarios:

- One scenario is for the deployment of an U.S. NMD system to take place *within the scope* of the ABM Treaty. The Treaty does not completely rule out such a deployment.
- Another scenario would involve some changes in the ABM Treaty, with a protocol. We already changed it in 1974. There could be changes in the means of interception and the basis for deploying interceptors.
- But there could be other changes that could totally undermine the ABM Treaty. This would undermine the system of mutual deterrence. For example, if the United States deploys NMD, and then deploys TBMD systems all around the Russian periph-

ery, we would definitely interpret this as an effort to undermine Russia's nuclear deterrent and a major threat to Russia.

But I don't rule out changes in the nuclear deterrence model itself. We would, however, have to deal with other issues:

- Both our governments are interested in a cap on the number of Chinese nuclear systems.
- The health of Russia's early warning systems must be restored. If they collapse, it will lead to an unstable situation. We would have to retain our strategic forces at a very high level of readiness.
- We will need to consider the issue of no-first-use of nuclear weapons. The USSR had a no-first-use posture, but Russia has abandoned it. The United States never adopted a no-first-use posture, but the Germans have raised this issue within NATO.
- At the end of the Cold War, we agreed with you that MIRV-ed ICBMs are destabilizing. START II envisages their elimination. If we question the ABM Treaty as a foundation of nuclear deterrence, I presume that the Russian side will want to revisit the issue of MIRVing Russia's mobile ICBMs, including the TOPOL-M.
- We signed and completely implemented the INF Treaty, which eliminated an entire class of weapons systems that both sides saw as destabilizing. We may need to revisit this issue, especially if Russia begins to deploy intermediate-range nuclear missiles, or if we reduce the number of Russian SSBNs in the Pacific and you deploy an ABM system in Alaska.

My main point is that if you change one of the major elements of the system of mutual nuclear deterrence, you may need to reconsider the other elements as well. Some changes could be made bilaterally, others would be done unilaterally.

**Ambassador Brooks.** I agree with General Zlenko's assessment that the consequences would be very bad if we withdrew from the ABM Treaty. But I do not see this happening soon. And it is precisely because of the possible bad consequences that we should begin to



think about this issue. The objective is strategic stability; the means is the ABM Treaty. If we can keep the objectives with amendments, we should try.

**General Zolotarev.** The reality of such evolutions should not take us back in history. START III should embrace not only strategic nuclear forces, but also BMD issues and the question of PGMs. We also need to address the issue of early warning and command and control systems. We need to consider joint crisis prevention and early warning systems. This is especially important considering the poor state of Russia's early warning system. I don't think Russians would sleep well if they knew the poor state the Russian early warning system.

We also need to reconsider the system of nuclear briefcases. Do we still need them if we move away from the system of mutual nuclear deterrence? Another issue concerns the security of our command posts. We are both taking several steps unilaterally, but these measures are guided by common concepts. Some of these steps might be more effective if they were given a legal basis. Another idea is to exchange information on the readiness of strategic forces. Perhaps we could establish a command post under UN auspices.

**Admiral Konarev.** I want to address my remarks especially to the naval dimensions of the triad. We are not the decision-makers on these issues. We analyze the existing situation and prepare suggestions for the higher levels. Looking at the sea component of the triad under START II, the Russian Navy will soon provide 58% of the Russian nuclear warheads that are in service. These greatly promote strategic stability. Yet warheads and missiles don't do strategic stability—the decision-makers do, and those who implement the decisions. The human factor is important in promoting strategic stability—starting with the commander and the other senior officers involved in planning the use of these weapons at all levels.

The sea components of our two triads are in direct contact with one another. There's a stand-off between them, unlike with bomber forces. They are out on patrol. The forces will inevitably meet.

Since START II was signed, we have significantly reduced the number of our SSBNs on patrol, in part because of financial considerations. It

is sometimes difficult for us to convince our decision-makers that we see similar actions on the U.S. side if some 50% of the U.S. SSBNs are still on patrol at any one time. It is difficult to explain to our commanders that this is done for reasons of strategic stability, given the asymmetry in our level of activity.

We have also abandoned trying to track SSBNs, but your SSNs haven't. Thus we have had collisions. Our commanders have their orders: prepare to use their weapons at any moment. Since our SSBNs are to provide for deterrence, it is difficult to describe the activities of the general purpose submarines as promoting stability.

Another issue is that the United States refuses to say that it is not planning to convert for conventional use any of its SSBNs. We believe that four SSBNs will be re-equipped so that they can carry Tomahawks. This would mean that each of these ships could carry up to 132 cruise missiles. We would still consider these submarines to be threats. They could be used to launch a first strike against Russia's command and control posts, even with conventional warheads. They might even be used for retaliatory strikes.

These are all issues for future discussion. We should not deceive ourselves on the issue of non-targeting. It is fairly easy to retarget a nuclear missile. We should talk to each other with greater openness.

**Ambassador Brooks.** We have taken a different approach with our submarines after the Cold War because we could afford to do so. We still send them to sea, but what they do there is very different. They spend less time at the ready for missile launches and more in preparation for attack operations with torpedoes. They also conduct more port visits. So we both have moved away the practices we employed during the Cold War. Whereas Russia has reduced the number of its submarine patrols, the United States has changed what its submarines do on patrol.

At the moment, no money has been allotted to convert SSBNs into cruise-missile bearing submarines. Some within the U.S. Navy are interested in converting only two submarines, not four, which would be too expensive. But this would be done only within the parameters of the START III negotiations. And the reason why the U.S. Navy is

considering such a conversion has nothing to do with Russia. The reason is that the Navy is finding it difficult to maintain an adequate number of cruise missiles in the Persian Gulf. SSGNs might allow us to ease the burdens on other platforms. I do not know if the United States will pursue this route. It is important not to confuse ideas under discussion with actual plans.

**Dr. Gaffney.** Let me reinforce what Ambassador Brooks just said. Converting the SSBNs, which would be expensive, would require us to give something else up. And it is not clear what we would give up.

**Dr. Rogov.** It will be hard to convince Russians that you do not have enough money to do whatever you wish.

**Admiral Konarev.** I recognize that, regarding the conversion of U.S. SSBNs into cruise-missile submarines, we are talking about plans, not actual programs. Nevertheless, opponents of START II in Russia are using the issue to avoid ratifying START II.

**Dr. Rogov.** I would like to make a few proposals regarding contacts between our strategic forces at sea. When we discuss the exchange of visits and joint training exercises, we cannot involve our submarines, given their special tasks. But CBMs are possible. We might be able to restrict patrols near each other's coasts, because the time to impact after launch is very short from there. Alternatively, perhaps we could inform each other about the dates they will be there. I recognize that such proposals seem to contradict the logic of nuclear deterrence, but we are just talking about specific zones, not the whole ocean.

**Dr. Gaffney.** Do you mean SSBNs or SSNs?

**Dr. Rogov.** I mean SSBNs.

The second point regarding the strengthening of our mutual deterrence that I wish to raise concerns the need to bridge the gap that has arisen as a result of our withdrawal from Skrunda. Russian representatives already have approached the Norwegians about CBMs. The Russians complained about the new Norwegian radar at Varda, which could be used for battle management. The Norwegians respond: "Don't worry. We are nice guys." But could not the United States, Rus-

sia, Norway, and possible the United Kingdom agree to share information from the Varda radar?

My third proposal is that we consider exchanging visits by our SSBNs to each other's ports some day.

My last proposal is that we send groups of submarine crew members to each other's training facilities for two weeks. We could allow them to train together in non-sensitive areas such as fire-fighting or reserve training.

These measures might be marginal, but they would be better than nothing.

**Dr. Sutyagin.** I want to talk a bit more about the ABM issue in line with Ambassador Brooks' comments. I see a serious threat to our relations. A U.S. attempt to withdraw from the ABM Treaty would be seen as yet another high-level deception of Russia by the United States. I see a long series of deceptions by the United States:

- First, there was NATO expansion, which violated oral promises made to Gorbachev and Shevardnadze that, if the USSR left Eastern Europe, NATO would not take advantage of the withdrawal.
- Second, there was the violation of the pledge not to put NATO forces on the territories of NATO's new members. Now it seems that a multinational NATO corps will be based in Poland only a year after the Founding Act was signed.
- And now we are learning about a possible U.S. withdrawal from the ABM Treaty. It could not but hurt the climate of our relations.

The synergistic effect from all these actions will undermine trust between our countries.

It would be very hard to convince us that this would be the last betrayal of the United States. We would not believe it. Ambassador Brooks for 5 years has been calling on us to judge on the basis of intentions, not capabilities. But the United States is changing its

intentions. If the United States were to judge Russia on the basis of intentions, it would not be so concerned about our MIRVed ICBMs.

The United States will soon acquire the ability to deploy a powerful ABM system. I anticipate that the United States will introduce an even better system in the future. I have faith in U.S. technology. Senator Kyl believes Russia will swallow the United States' withdrawal from the ABM Treaty. The U.S. Navy likewise thinks Russia will accept without concern its sea-based TBMD system. The United States needs to think again.

I also wish to point out that United Kingdom's testing of D-5 missiles from its SSBN is violating provisions of START II. The U.S. Navy plans to raise Trident's effectiveness by using light warheads. They stopped installing the W-88 warhead because they could not find enough targets in the USSR to justify its use. But today the U.S. Navy is deploying W-88 warheads again. The Russian side wants to know why this is taking place.

We must also consider the issue of how China will respond to U.S. BMD modernization. China will react vigorously to a U.S. ABM program, and this could adversely affect the security of other countries. So we have to give them a voice in any decision to modernize ABM systems. Otherwise they might overreact.

**Ambassador Brooks.** You spoke of flight tests in violation of START II. Are you referring to the U.K. tests? During the negotiations, I personally agreed with Soviet representatives that Britain was acting outside the Treaty. We wrote that up in our analysis of the Treaty, and I personally gave this to the Soviet side. And with this understanding, we signed START II. We agreed to a procedure whereby Russia could be sure that the American side was not using the British tests to violate the Treaty.

**Dr. Sutyagin.** The thing is that now, as I understand it, the UK declared it would have no more than three warheads on its D-5s. But the latest launch tests showed 10 operationally deployed warheads, and U.S. technicians were involved. I do not say that this represents a violation of START II. But it is just one more issue in which Russians see the Americans and their NATO allies deceiving them.

**Admiral Bystrov.** One can in principle resolve the problem with respect to the issue of mutual SSBN visits. The United States could send us its Ohio submarines, and we could send you our Typhoon submarines. But this would not contribute to security on the seas. One has to change the psychology of the commander. He must feel that nothing intrudes on his readiness to fire.

He commanded Northern Fleet submarines for five years during the coldest years of the Cold War. As a commander, you always feel that someone is just behind you, breathing down your back, ready to instantly shoot you. We need some kind of agreement that would establish conditions in which the commander would really think he is not threatened. Maybe we should agree on joint monitoring of missile systems, meeting regularly.

**Admiral Smith.** I would like to comment on your proposals. It was an early idea of these seminars that the Russian and U.S. navies would look hard for ways to promote cooperation, especially between our submariners. We took the initiative a few years ago to exchange officers so that they would be familiar with each other's training procedures. Dr. Gaffney, Ambassador Brooks, and I achieved some modest success with our Navy. The Chief of Naval Operations agreed to the proposal. It was an important and symbolic first proposal.

For naval people, such a step as exchanging SSBN port visits may be too much. But the idea has merit. Perhaps we could use a neutral port. The issue requires a balanced discussion. As each year goes by in our meetings, issues that we first consider quite revolutionary are later implemented.

With respect to Dr. Sutyagin's concerns about the deployment of NATO troops in former Warsaw Pact countries, I believe that the agreement is that NATO would not *station* troops in these states. The exercises that are now under discussion, including the temporary deployment of a Dutch-German-Polish brigade in Poland, do not in any way involve plans to base NATO troops there—though I do not rule out the possibility that the Polish press is trying to cast these exercises in the light of their own purposes.

**Dr. Gaffney.** I know Igor has his list. And I know he talks about the issue of intentions versus capabilities. But the whole list seems to imply that the United States has some kind of intention of attacking Russia. It is really hard for me to understand in today's world why this should be so. Mr. McGiffert laid out all the concerns the United States has around the world. He discussed the concerns Americans had about the collapse of the world economy, including the possible collapse of the Russian economy. So do you have any notion of why the United States would attack Russia, which is already in such bad shape?

**Dr. Sutyagin.** No. But the issues I have discussed improve your capabilities for such an attack.

**Dr. Gaffney.** Ambassador Brooks did not say all Americans want to abandon the ABM Treaty. Those who do are still a minority. Senator Kyl does not represent the U.S. government, just a minority opinion. The Russian economy is so bad that it is understandable why Russians would see Americans as responsible.

**Dr. Krivokhizha.** I would like to return to the issue of our need for a system of coordinates, which I raised earlier. Strategic stability existed in 1914, but we had a world war. We must draw on the lesson of our last decade of cooperation. Perhaps we can reduce our offensive forces further. But more important is the need for greater understanding about the nature of our modern world. We need a new approach to our interdependent world.

I do not see a difference between strategic and tactical ABM. We need to find a system that combines three aspects: strategic nuclear deterrence, tactical ABM, and national ABM. Few of us know what we are talking about, but this is a multinational process. We need to find an approach that corresponds to the modern world.

### **III. The Problems to the South of Russia: The Situation Surrounding the Caspian and Black Seas, the Caucasus, and in the Central Asian Republics**

**Dr. Weitz.** What follows are some ideas circulating in Washington with respect to "the territory south of Russia," which I will call the Black

Sea *region* as opposed to just the Black Sea itself. I have intentionally highlighted the maritime dimension of these issues. Americans have become interested in the Black Sea region largely because of the Caspian energy dimension. U.S. companies are investing heavily there. Americans hope the area will serve as an additional source of world energy. They desire to lessen the West's continued high dependence on Persian Gulf oil. But there are potential difficulties that could prevent the rapid exploitation of these energy resources. Neither Russia nor the United States are the primary source of these problems, and opportunities exist for both countries to cooperate to try to overcome them.

The first issue I will discuss is the pipeline debate. Experts anticipate a vast increase in the flow of oil and gas from Azerbaijan and Central Asia over the next few decades. The current debate among the countries and companies involved in exploiting this energy centers on how best to transport this additional energy to the international market. Several proposals envisage shipping Caspian energy products across the Black Sea, most likely directly through the Turkish Straits, or possibly to Bulgaria for transshipment by pipeline to the Greek coast.

Turkey and Russia differ over proposals to increase Russian tanker traffic through the Turkish Straits. Russian officials would prefer for financial reasons that Russian pipelines and tankers deliver Caspian energy to international markets. Turkish officials favor the development of oil and gas pipelines linking the Caspian region to the West through Turkey. Ankara would earn more in transit fees from such a land-based pipeline than it would through increased tanker traffic through the Turkish Straits, and the environmental risks would be lower.

American representatives favor multiple pipelines. They are concerned about the risks of relying on just one pipeline route. But they oppose any pipeline passing through Iran because of their opposition to the regime there, and their concern about concentrating even more energy shipments through the Persian Gulf.

The second issue I will discuss is a possible modification of the 1936 Montreux Convention. This has become an issue because of the growing maritime traffic through the Turkish Straits (the Bosphorus and



the Dardanelles). In 1938, 15 ships passed through the Straits each day. In 1996, 137 ships crossed through the Straits daily. In addition, since 1994, Turkey has introduced new regulations affecting rules of passage through the Straits. Turkey justified them on the grounds of safety and environmental protection. It plans to introduce additional regulations soon.

Successful revision of the Convention, however, would require resolving disagreements among the signatories concerning how best to govern passage through the Straits. Turkish authorities in particular may not wish to raise the question of revising the Convention, which grants Turkey a preeminent role in controlling maritime traffic in and out of the Black Sea. We would be interested in hearing Russia's views on this issue.

Terrorism could present another impediment to the transshipment of Caspian oil and gas through the Black Sea. There was the November 1996 hijacking incident, in which supporters of Chechnya's independence seized a Turkish ferry and held its 250 passengers hostage. In addition, the violently anti-Turkish Kurdistan Workers' Party (the PKK) also could attempt to sabotage energy pipelines passing through southeast Turkey.

The United States and other governments share a common interest in constraining terrorist actions that could disrupt commercial activities in the Black Sea region. Have Russians given any thought to this issue?

The fourth issue I wish to raise is NATO's growing presence in the region. The NATO countries have become more involved in the Black Sea region in recent years. In particular, they have developed contacts with the countries south of Russia through the Partnership for Peace (PFP) program. NATO as an alliance has signed special charters with Russia and Ukraine to facilitate cooperation.

The Armed Forces of the Black Sea militaries have evinced a strong interest in developing a high level of interoperability with their NATO counterparts. Yet, various obstacles are limiting cooperation among the navies. Black Sea countries like Bulgaria and Romania have only partially reduced and modernized their naval forces. Their

combat effectiveness remain doubtful. And they will require much additional training and exercises before they can fit better with NATO practices.

Some Azeri and Georgian officials desire to increase NATO involvement in the resolution of their local conflicts. They have proposed that NATO consider sending peacekeeping forces. This reflects their impatience with the protracted and thus far unsuccessful OSCE mediation efforts. NATO as an organization has resisted any notion of deploying peacekeeping forces there. They are preoccupied with Bosnia and the alliance's internal transformation. In addition, the conflicts in Caucasus are frankly seen as less important. NATO governments still prefer that OSCE assume the lead role there, but NATO appears to have inadvertently encouraged proposals for such intervention through the successful Bosnia precedent.

The member states' diverse economic, political, and strategic objectives in the Black Sea region could lead to divisive disputes among alliance members. Turkey and Greece already are now competing for influence in the Caucasus, with Turks developing strong military ties with Azerbaijan, and Greeks trying to strengthen ties with Georgia and Armenia.

The next issue I wish to discuss is the apparent Turkish-Russian contest for Black Sea primacy. Relations between the two countries are not bad. Military contacts between Turkey and Russia under the aegis of PFP have increased recently, and Turkey continues to purchase large quantities of Russian weaponry. Russia also supplies the bulk of Turkey's energy needs. In May 1988 the two countries signed a memorandum of understanding in which they declared that deeper bilateral military ties would help consolidate peace in the Black Sea region and elsewhere. In late October 1998 naval officials from Turkey, Russia, and Bulgaria, Georgia, Romania, and Ukraine agreed in principle to establish a joint fleet to operate under NATO's PFP program.

Yet, Turkish-Russian relations appear strained. Both countries seek to become the main route for oil and gas pipelines linking the Caspian Basin to world energy markets. Russian officials have expressed concern at Turkey's growing influence among the newly independent Central Asian republics. Turkish authorities distrust Russian inten-

tions in the Caucasus and express anxiety (manifested in the recent CFE "flank dispute") over Russian military deployments there.

Russia's financial and other problems have resulted in Turkey's navy becoming the most powerful conventional fleet actively operating in the Black Sea. Do Russians see this as disturbing?

It seems that the Turkish government is resisting Russian proposals for a set of Confidence and Security Building Measures (CSBM) for the Black Sea. During the past year, Turkey has been searching Russian ships passing through the Bosphorus that it suspects carry parts of the Russian S-300PMU-1 surface-to-air missiles purchased by the Greek Cypriot government. The Russian government has protested that the searching of commercial ships passing through the Black Sea Straits violates the provisions of the Montreux convention. Turkish officials complain about a March 1996 incident in which Russian ships attacked Turkish fishing vessels operating in Georgia's territorial waters.

The last issue I wish to consider is the future of U.S.-Russian relations as it pertains to the Black Sea region. Several emerging trends in the Black Sea region could lead to a worsening of U.S.-Russian relations. There is Russia's ambivalent attitude toward NATO's increased involvement, largely through PFP, with the countries in the Black Sea, the Caucasus, and Central Asia, regions many Russians consider within their traditional sphere of influence. Russian representatives have objected in the past to NATO exercises in the Black Sea and Central Asia that they believed had anti-Russian connotations. NATO needs to develop mechanisms or practices to incorporate Russian views earlier in its exercise planning process. As noted above, Russian and U.S. officials also differ on the best pipeline routes for Caspian energy exports.

A worsening of U.S.-Russian relations could complicate the security policies of Ukraine, Azerbaijan, Georgia, and the other former Soviet republics, which seek to maintain good relations with Russia as they expand their ties with NATO.

But the trends in the Black Sea region described earlier in this presentation present both countries with opportunities to work together

to promote their common interests. Opportunities exist to increase energy production within the former USSR. Both the United States and Russia want to create a favorable environment for the international oil companies, who will have to agree to provide the money to actually exploit these resources. Russians would benefit from this wealth in many ways. They would receive transit and shipping fees from energy deliveries. The increased income to countries south of Russia would give them more financial means to purchase Russian products. Both the United States and Russia want to keep maritime traffic through the Black Sea safe and profitable, giving them an incentive to cooperate together to avert terrorism, control pollution, and prevent and manage regional conflicts in Nagorno-Karabakh, Abkhazia, Tajikistan and Crimea. Neither Russia nor the United States has an interest in reviving a Russian-Ukrainian conflict over the Peninsula or the Black Sea Fleet.

In conclusion, each of the above emerging trends *individually* could have a significant impact on U.S.-Russian relations. In *combination*, however, their effect likely will be even more important. These developments will take place in the same place, at approximately the same time, leading to a probable "multiplier effect" that will compel the governments involved in the region to rethink their policies. These issues could present challenges to Russian-American relations, but they will not be insurmountable. More often, these developments will present opportunities for profitable cooperation between our two countries.

**Dr. Fedorov.** I wish to focus my remarks on the Caspian issue, though the Black Sea and the Caspian Sea are dynamically connected regions. I especially hope to expose many myths regarding the Caspian energy issue.

The first myth is that the Caspian region could look something like the Persian Gulf. There are important technical reasons why this is not the case. The quality of their energy resources differ sharply.

A major problem for analysts is that political considerations cause government officials to manipulate information regarding Caspian energy. In addition, commercial secrets prevent us from fully understanding conditions there. Yet, it seems that only a modest amount of

oil is available that can be exploited at current prices. At best, the region will provide 3-5% of world energy needs by the end of this century.

I agree with Dr. Weitz's proposal that we need to diversify energy supply routes. In this regard, Caspian oil and gas will contribute to global energy security to a degree comparable to that of North Sea oil. Although the estimated oil reserves in the Caspian Basin are one-and-a-half times larger than those of the Persian Gulf, they constitute only a third of Russian reserves. By the end of the decade, the Caspian countries will be able to provide as much oil as Russia provides now.

The increased Caspian energy deliveries could place Russia in a fairly difficult position by the end of the century. For example, Gazprom is planning to deliver 13 billion barrels of gas to the Turkish market, which represents one-half of Turkish demand. But Turkey could easily import gas from Tajikistan and other Caspian countries. Approximately 50% of Russia's export earnings derive from the sale of oil and gas to other countries.

The Russian elite has divided on how to deal with these issues. On the one hand, the official position since 1994 has to try to keep under Russia's control, if not the entire Caspian Basin, at least the energy resources located at the bottom of the Caspian Sea. They worry that Russia is being pushed out of the region, with important political consequences.

On the other hand, there is the oil companies' view, which was shared by officials in the Chernomyrdin government close to Gazprom. They want Russia to try to contribute constructively to the joint development of the region by working within an international consortium that included companies from Turkey and the United States. This position appears to be gaining in influence.

The problem of transporting Caspian energy and gas to the world market is linked with a number of other issues, including the conflicts in Chechnya and Afghanistan, and Russia's relations with the United States. There are only two real routes. The first is through the north Caucasus; the second would be through the Turkish port of Ceyhan.

Although the question of transit fees is important, many Russian officials are primarily motivated by political considerations. They want Russia to control the flow of oil and gas from the Caspian because it gives Russia an instrument of political control over the region. The importance of this instrument was seen in the recent dispute between Gazprom and Tajikistan, when Gazprom shut off Tajik oil exports by closing its pipeline. This move hurt Russia's relations with the Caspian countries, who saw the action as a Russian attempt to keep them under Russia's control within some kind of security zone.

There are two more issues I wish to discuss. The first is the issue of U.S.-Iranian relations. The Iranian government has signaled that it desires to improve its relations with the United States. I understand the U.S. position regarding Iran, and why it is very negative. Yet, there have been some indications during the past year that Washington might be interested in improving its relations with Tehran. But so far there have been no changes in U.S. policy, at least in the energy field.

The second issue of interest is the conflict that exists between the U.S. oil companies and the U.S. government. The USG favors a Baku-Ceyhan pipeline. Oil companies remain hesitant to build it because they remain uncertain as to how much oil is in the Caspian Basin. In addition, not all these deposits will be economically viable. For example, the Baku-Novorossisk pipeline will only be viable if more than 50 million tons of oil passes through it. It would be better if it received over 80 billion tons.

The problem of transporting this oil through the Turkish Straits needs to be resolved. The Russian Ministry of Foreign Affairs does not want to revise the Montreux Convention. Both Russian experts and the Western oil companies believe that Turkey is exaggerating the environmental risks of increasing oil tanker traffic through the Straits. Even Lloyd's believes that a new navigation system for the Straits would reduce the risks. But the Turkish government remains adamant about restricting the size of tankers transiting the Straits. This has already led to conflicts between Turkey and Russia, and could lead to the United States and European getting involved.

One sees a whole series of contradictions involved in the Caspian energy issue. Russia will for the next few years suffer from its past

attempts to manipulate the flow of oil exports from the Caspian countries. And its relations of Turkey will remain complex, with elements of cooperation and competition coexisting.

**Dr. Gousseinova.** I will touch only one dimension of this region: the problem of maintaining stability in the Caucasus. Currently, all the countries there are searching for security after the USSR's collapse. They are walking a tightrope between Russia to their north and the Muslim countries to their south. Their foreign and security policies are embedded in a kind of diplomatic game.

At the end of 1997, the USG had declared the Caucasus a zone of U.S. strategic interests. This was not accidental. The region is strategically located and has enormous natural resources. The 1997 Act declared the United States' intention to promote democracy, advance U.S. economic interests, and build a Eurasian transportation corridor in the region. But these goals can only be achieved through the use of methods of conflict resolution. The conflicts in Abkhazia and Nagorno-Karabakh remain unresolved. The refugees displaced by these conflicts have yet to return.

Neither Russia nor America can alone solve these conflicts. We need new institutional methods to resolve them. Although NATO expansion is a kind of stumbling bloc for U.S.-Russian relations, the countries there believe that only NATO can end their conflicts. In Georgia, President Shevardnadze has said that the Russian peacekeeping operation there has exhausted its potential. The Azeri President has said NATO cannot remain indifferent towards conflicts in Europe. They compare what they see as NATO's success in Bosnia with Russia's failure to resolve conflicts in the former USSR. They believe that only the alliance can maintain peace in Europe.

Today, Russia is working closely with the OSCE to resolve the Nagorno-Karabakh conflict and with the United Nations to resolve the Abkhazia conflict. But the local states are frustrated by the lack of progress, as is Russia. The Russian government does not want to spend a lot of money on these conflicts, so it wants help from the OCSE and the United Nations. Western policies could have a great impact in promoting stability in the region. All the countries involved should act in parallel and use new instruments to resolve the conflict.

**Dr. Gaffney.** I want to explain Washington's concerns about Iran. We Americans are outside spectators to internal Iranian politics. A few days ago, a group of U.S. businessmen went to Iran to see if they could take advantage of any change in Iranian attitudes toward the United States. Their bus was stoned. So our ability to improve relations with Iran clearly depends on internal Iranian political developments that we have little influence over. There is also a lot of historical baggage separating us.

Admiral Lopez has also stressed the need to use the Caspian oil to help diversify the world's sources of energy. In this light, the idea of shipping Caspian oil through the Gulf would appear to be a contradiction. We still see the region as one in which conflict could easily break out.

**Dr. Mazing.** You know that Nana is from Georgia. I come from Estonia, so I can be more dispassionate. I would like to discuss some issues relating to military security in the region.

The area is certainly of vital importance for Russia's national security. I can't imagine that any sober Russian politician would not say that this area lies in Russia's zone of security. All the countries there are parties to the CIS mutual security agreement.

There is a Russian proverb, "The East is a delicate sphere." The Georgians turned to Russia not because they liked Russians, but because they wanted to resolve their internal problems with the help of Russian troops. Now they are turning to the West for the same reason. The West should not forget this.,

We would like to withdraw from Central Asia. But what do we do about the trafficking in drugs and armaments there? We do not have sufficient border facilities to block them.

China is also very interested in the area. China, Russia, and the West all have differing interests in the area.

**Captain Filin.** The Montreux convention restricts the activities of warships in the Black Sea. It limits their size and length of stay there.



At present, six governments are littoral states of the Sea. Five of them are former Warsaw Pact members. These new countries are at a stage when they are still sorting out their national interests, both internally and externally.

We already have discussed how the process of exploiting the energy resources of the Caspian could lead to increased tensions in the region. We already see unilateral actions by Turkey in the way it is changing the rules of passage. We also see increased activity by the U.S. Navy and its NATO allies in the Black Sea. The number of foreign warship visits to the Black Sea, and their length of deployment in the Sea, has increased by 50% over last year. Any revision of the Montreux Convention would only make things worse by allowing more warships into the region.

**Dr. Fedorov.** I would like to elaborate on captain Filin's remarks. It is very important to provide a realistic assessment of Turkish-Russian relations. Russia is also at a stage when it is formulating its national interests for the region. It is still unclear where our interests lie. Turkey has serious problems with Syria, Greece, Cyprus, and even Bulgaria. The growth of Turkish naval power threatens not only the Black Sea countries, but also the Mediterranean states. Turkey's ambitions in the early 1990s towards toward Central Asia also should be noted in this regard, though in this case its rhetoric did not match its resources. So the question arises: how should Russia deal with Turkey under present conditions. On the one hand, elements of rivalry exist. On the other, we want to cooperate. Our economic and military ties are increasing. This problem is very complex. A one-sided view of Turkey as a rival to Russia would be a mistake.

**Admiral Smith.** The United States has a very special relationship with Turkey. We are NATO allies. Turkey was a very big supporter of the coalition in its war with Iraq, at a considerable cost to its economy. Turkey is being treated poorly by the EU. It is my perception that the U.S. Government and the U.S. military feels some responsibility to help Turkey as much as possible. I suspect our military favors Russia's arms sales to Turkey for this reason.

With respect to Ukraine, when the CIS was formed, Ukraine reluctantly agreed to transfer its nuclear weapons back to Russia. The U.S.

Defense department wanted to make sure that Ukraine followed its agreements. This led the United States to support Ukraine's participation in various NATO exercises, which explains why there is so much PFP activity in the Black Sea region. This also explains why there is a special NATO-Ukraine agreement.

But it should be possible for the United States and Russia to cooperate to support Turkey and regional stability. From the U.S. point of view, Turkey appears to represent the most stable Middle-Eastern country. Our military tries to promote as many military-to-military exchanges as possible. It also supports Turkish-Israeli military cooperation, which has aroused concern in other Middle Eastern countries.

**Dr. Krivokhizha.** Those who have studied the history of the region know that the current political situation there is inseparable from past conditions. In the 1970s, the British Foreign Office published documents concerning the Caucasus concerning British policy in the 1920s. It seems the British had vast ambitions there.

I want to stress that the current task is to stabilize the Caspian and Black Sea regions. It is one of the most unstable regions of the world, like the Balkans. There is the conflict over Nagorno-Karabakh, the problem of Islamic extremism, Turkey, Israel, Afghanistan, and many other problems. Russia does not have imperialist ambitions in the region. Russia cannot close its eyes to the fact that the countries there buy its energy. So we need to come up with a common understanding of the problems in the region, and think of ways to promote stability there.

## **IV. The Problems of the Russian Far East Region**

**Dr. Nosov.** The Russian Far East is closely linked with China. The region's inhabitants trade heavily with their Chinese neighbors. The 120 million Chinese living in the border region vastly outnumber their Russian counterparts. Yet, although we speak of China's recent economic successes, the Russian standard of living is much higher, a fact that leads to much illegal immigration. There are about one million illegal Chinese immigrants in Russia, many of whom are heavily

involved in criminal activities. There is a significant Chinese colony even in Moscow. Two Chinese newspapers are published there.

The Russian Far East has rich natural resources. Yet, the main problem now is to supply this region with energy. The region is also closely linked with international problems in Korea and Taiwan.

Russian-Chinese relations are developing rapidly. Russia and China both speak of a "strategic partnership" to govern their relations in the twenty-first century. Interestingly, the United States uses the same term to describe its own relations with China. But we do not understand what this term means in practice.

Russia and China have resolved their border conflict, except for a few minor issues. There have been some reductions in the number of troops along the border, and some CBMs have been introduced. We will not, however, attain the levels of trade and exchange laid out by the President in his plan for the year 2000.

On the whole, our relations with China will resemble those between China and the United States. Our relations are developing rapidly, but we do not forget that a strong country is developing on our border—strong not just economically, but also militarily. This creates a certain level of concern in Russia. Although we have sold around \$6 billion worth of arms to China in the last few years, Russia is cautious about what it sells.

We are also concerned by demographic trends, which favor China, and by other Chinese internal developments. In the future, China could break apart or experience other serious political, economic, or social upheavals. Russians do not forget that we have a 4,000-kilometer-long border with China.

With respect to the situation in Korea, it must be borne in mind that Russia is not actively involved in the negotiating process. It would be advisable to involve Russia in the resolution of this conflict. Russian-South Korean relations are good. Both Russia and the United States need to take greater efforts to encourage North Korea's involvement in the peace process.

The Russian Far East Fleet has been substantially reduced in terms both of its size and its activities.

Russia is trying to improve its relations with the other Far Eastern countries. But at the moment its ability to do so is limited by its weaknesses, especially its weaknesses in the Far East. But in the future, ties might improve.

**Admiral Konarev.** Economic factors are hurting the Russian Far East Fleet. Unlike the other Fleets, the Far East Fleet closely cooperates with other navies, especially the U.S. Seventh Fleet. There have been many exchanges. Fuel crises have limited the Fleet's activities. But at the same time, the crews are trying to understand the problem properly and develop cooperation. Our cooperative work will continue. We plan to help the Fleet overcome its difficulties.

**Admiral Smith.** U.S. military policy in the Far East is one of engagement and forward presence. Approximately 100,000 U.S. troops are stationed there, including 15,000 sailors in the Seventh Fleet. Most U.S. relations in the area are bilateral. This is how our relationship evolved after the Second World War, especially the U.S.-Japan and the U.S.-South Korean defense treaties. Unlike in Europe, where all security ties operate through a single organization, NATO, most of the U.S. military ties in Asia operate through the U.S. Commander-in-Chief, Pacific, who is based in Hawaii.

Seven of the ten largest armies of the world are in Asia, with China having the largest. This means that much attention must be paid to maintaining military stability in the region. The USG believes that its forward presence helps to maintain stability there.

The four-power agreement with North Korea is based on a North Korean pledge not to develop nuclear weapons in return for largely Japanese and South Korean financial assistance through the Korean Economic Development Organization (KEDO). The North Koreans only agreed to curtail their production of nuclear materials in return for the delivery of foreign nuclear reactors. This means that North Korea's missile development program, which is seen as a threat by Japan, the United States, and China, is not seen as violating the agreement.

The U.S. military maintains close ties with Japan and South Korea. The U.S. Navy has also made many port visits in Russia's Far East. The United States has sold Japan Aegis systems for installation on their cruisers. Eventually, these systems could be modified for TBMD. Our naval cooperation with the South Koreans is less extensive.

**Ambassador Brooks.** I would like to offer some thoughts on the future.

One problem the U.S. Navy faces over the long-term is the question of Japan's willingness to host our forces. No one expects Japan to ask us to leave, but the Japanese are likely to ask us in the future to allow them to reduce the payments they make to support our forces based there. The United States is beginning to consider other possible basing arrangements, primarily for the Seventh Fleet. Almost all U.S. analysts believe that, for the next decades, the presence of the Seventh Fleet is important for the region's stability.

Korea presents the greatest near-term challenge, but in the long-term the United States worries about China. We too want to develop a "strategic partnership" with China. We are not pursuing a containment strategy. We don't believe a conflict with China is inevitable.

The big problem with China is Taiwan. We believe that for the next few decades China's main goals are economic. China's leaders want to maintain international stability so that China can continue to develop internally. But it is very clear that if Taiwan tries to assert its formal independence, China will oppose it by force. It is less likely that China would use force to change the existing situation. If it were to do so, the United States would have certain obligations toward Taiwan.

Our analysis is that the Chinese navy will not be able to challenge the U.S. Navy in a conventional way for a number of years. The Chinese military has the capacity to conduct some conventional operations against Taiwan, but China most likely will pursue an "asymmetric strategy." They will employ their forces against unconventional targets, and employ unconventional weapons such as ballistic missiles, as in 1996. Such an asymmetric strategy would be more difficult for us to resist, and would make it more difficult for other countries in the

region, such as Japan, to support us. But we do not expect a confrontation. We expect for the next decade to see growing ties between our two countries.

**Dr. Gaffney.** Alexey Arbatov was at one point worried by the situation on the Tumen river. He feared China would construct a port there that would take trade away from Russia. He expressed concern that China might even build a naval base there. But we read in *The Economist* that a final settlement had been reached about the river.

**Admiral Konarev.** This has been a multi-dimensional issue. It has involved military specialists, the Russian federal government, the local political authorities, and others. We feared that China's development of such a port would hurt the Russian fleet, and draw trade away from our country. But a final settlement has not been reached. Many parties are involved. This will probably be an issue in our seminars for many years to come.

**Dr. Nosov.** If China builds a port on the Tumen river, it would cut off the Russian Far East Fleet. But Russian fears are mostly based on a kind of inferiority complex. For many years, our main eastern port had been built by the Japanese. Now we are discussing a Chinese-built port. We focus on the perceived threat rather than decide to build new ports or improve our existing ones. China will also have to consider that 15 kilometers of the Tumen river crosses Korea. The river would require extensive dredging in any case. China already has another port in the area that is quite operational, but our military still worries about another Chinese port.

**Dr. Krivokhizha.** The situation in the Russian Far East affects our security and that of Central Asia. This situation is multi-dimensional. Contradictory trends exist there, some of which are a legacy of World War II.

I do not see Taiwan as a big problem. China would suffer economically from a worsening of its relations with Taiwan. Foreign investment, especially Taiwanese, would flee the mainland. With respect to the islands Russia disputes with Taiwan, in the 1950s the Japanese Parliament had acknowledged that Japan had lost these islands.

The United States needs another country to counterbalance China. The continuation of a unipolar world is impossible. A multipolar world has always existed. I doubt that in the twenty-first century China will be a leading power. The country is experiencing a growing gap between its coastal and interior regions. But we must acknowledge that the Chinese have proved to be smarter than we Russians, though I would not want anyone else to tell me so. The Chinese kept the leading role of the Communist Party as they introduced their revolutionary changes. This has helped promote stability.

China faces a serious overpopulation problem. This could lead to border problems with Russia. Another problem is that all the criteria we used to measure deterrence between the United States and Russia, such as "unacceptable damage," are inapplicable to China. If the central government weakens, at some point it calls into question the safety of China's nuclear weapons.

The Korean issue has two aspects. First, there is the danger of North Korea as a proliferator. I believe that this threat is exaggerated. The North Koreans have been sending signals that they are prepared to compromise on this issue, but the American side is not giving any indication that it wants to hear these signals. Second, there are the factors involved in the unification process itself. The negative experience of Germany weighs heavily here. North Korea is on the edge of collapse. The North Korean elite fear that South Korea will do to them what the West Germans did to the East Germans. For example, the Federal Republic had promised to allow the East German army to persist, but after reunification it was disbanded. We also need to consider how China, Japan, Russia, and other countries will react to Korea's reunification.

**Ambassador Brooks.** Could you speak further on the signals you believe the North Koreans have been sending but the Americans have not been receiving? In the first half of the 1990s, Russia lost its traditionally good relations with North Korea. China has retained its relations, but these have not been strengthened. The North Koreans have several times said they are ready to enter into direct negotiations with the United States, but each time multilateral events have been

arranged, they pulled out at the last moment. Bilateral contacts between Washington and North Korea continue.

**Dr. Nosov.** After the North Koreans launched their ballistic missile near Japan last August, they met with several U.S. Congressmen, and quite openly said that, for \$500,000 dollars, they were prepared to give up these systems.

**Ambassador Brooks.** I believe their offer was just to allow an inspection.

**Dr. Gaffney.** Some would call this extortion.

**Ambassador Brooks.** I would like to return to the issue of sea-based TBMD in Asia that Dr. Weitz raised yesterday. American and some Russian analysis seem to suggest that the Russian SSBNs now deployed in the Pacific Fleet will be removed from service at the same time that we deploy these systems. As a result, many U.S. analysts did not believe there should be any particular problems for Russia when we deploy these TBMD systems. Is this correct?

**Admiral Konarev.** Already today, we have suspicions and misgivings because the deployment of certain TBMD systems, whether sea- or land-based, could, given their command and control systems, be combined into a unified national ABM system.

**General Yesin.** Russia will be especially concerned with whether the planned U.S. systems would violate the 1997 Helsinki Declaration. Nevertheless, you should not focus only on how Russia will react to U.S. TBMD deployments. China, India, and other countries could react adversely, which would pose problems for stability in the Asian-Pacific region. Concerns already have arisen about U.S. cooperation with Japan, Taiwan, and other Pacific countries on TBMD systems.

**Ambassador Brooks.** The planned deployment would be consistent with the Helsinki parameters. Your analysis of China's reaction is consistent with our own. We believe that China will wish to retain the option of, as it did in 1996, using ballistic missiles to prevent any change in the Taiwan situation. We expect China to strongly oppose



the deployment of U.S. TBMDs in Asia. We are still analyzing the possible reaction of other states.

**Dr. Sutyagin.** The U.S. treatment of the TBMD issue reflects the typical American approach toward these kinds of military issues. Americans look at these questions as being technical issues when the problem is political. The Russian reaction will be affected most strongly by the Chinese reaction. If China reacts nervously, it will affect India. If India builds up its own forces in response to China's acquiring more missiles, Pakistan too will feel compelled to improve its offensive nuclear capacity. And Iran and then Iraq could react to Pakistan's moves. All this will negatively affect Russia's security. Although this is the worst case, we cannot help but be concerned.

Some technical issues are also involved. At present, the main issue is not the effectiveness of the interceptor, but the capacities of the fire control system. The Helsinki parameters correspond precisely to the kind of system Russia just gave up. So Russia's reaction to the deployment of U.S. sea-based TBMD will be negative, and not just because we see it as a threat to our SSBNs.

**Dr. Gaffney.** We are talking about systems that will be consistent with the Helsinki parameters. The upper tier system is at a very early stage of development. It is not clear if it will work. And it will take many years to be introduced. What does the Russian side think about China's capacity to threaten Taiwan with missiles?

**Dr. Krivokhizha.** Continued proliferation, plus the Indian and Pakistani nuclear tests, have produced an exaggerated concern with ballistic missiles. Airplanes are much more reliable delivery vehicles for nuclear warheads. India and Pakistan have not set an example for other countries.

U.S. TBMD will lead China to develop new offensive nuclear ballistic missiles. China is not bound by any international arms control agreement. It will do whatever it takes to be able to penetrate the U.S. system.

We usually distinguish between tactical and strategic systems on the basis of velocity, not distance. But if we proceed from the ideology of

the 1972 Treaty, then we must recognize that the idea was not to create a system that could defend a country from a ballistic missile attack. In this regard, the distance of the interception is very important. If you can hit a nuclear warhead from a height of one kilometer, then you can defend only your missile forces. If you can hit a warhead from a height of three kilometers, then you can protect cities.

Ambassador Brooks, what do you think about focusing on distance as one of the key parameters?

**Ambassador Brooks.** I think it would be difficult to achieve a verifiable agreement. Our two Presidents agreed to use a combination of velocity and distance. This has the effect of limiting altitudes, but it does so indirectly, and is easier to verify. But the thinking you laid out is logically consistent. I am just not sure how to embody it in practice.

**Admiral Smith.** With respect to limiting velocity, the approach suggested by the Russian side has a limitation if the missile has more than two stages. You can limit the velocity of the first stage, but compensate with the other stages to achieve a given range. If you limit first-stage velocity, you can limit its effectiveness against ICBMs.

## Concluding Session

**Ambassador Brooks.** Last night Mr. McGiffert and I talked about the seminar. He observed that, compared to many of the other CNA-sponsored seminars, what he appreciated in our CNA-ISKRAN meetings was our ability to address issues informally as they arise. We would do well to continue this practice. The same is true for our seminars, for we will not be able to solve all these issues in a day-and-a-half, but they must be solved.

I am very pleased with our discussions during this session. I want to thank the assembled specialists, officers, and officials for speaking so candidly, and helping us understand how our relations are evolving. Although Russia now is experiencing economic difficulties, there is no question that she will recover and play a major role in world affairs. And is in Americans' interest that she does so in close cooperation with the United States.

**Dr. Rogov.** Thank you for a successful seminar. I agree with you and David that we should continue our informal approach, rather than just exchange prepared papers. We can raise any question we want and get an immediate response. Especially important to the success of our seminar was the high quality of your delegation, though I was sorry Bob could not attend.

With respect to our future agenda, it seems that we are at a certain turning point in U.S.-Russian relations. If things turn out well, we will soon ratify some important strategic and economic agreements. I think we can continue to contribute to a meaningful dialogue. Both our governments are capable of thinking about our future relations, but neither side has determined its future strategies. This is a role we can help fill.

I also think we should continue to focus on naval issues. We also should spend more time on the social dimensions of our relations. We can give our officers good advice in this area.

Finally, I have a study with me that we are doing jointly with the Institute of Economics on what Russia will look like 2015, and what its role in the world will be. I wonder if we could discuss this issue, if not in the next seminar, than the one after that. We could jointly speculate on how the world will look in 2015, and what kind of U.S.-Russian relationship we would like to see in it. Can we move beyond a declaratory partnership to a real partnership. By 2015, Russia should be a major international actor again. Maybe I am too optimistic today, but I am encouraged by the fact that we have received permission to visit Teykovo.

## **Seminar Participants**

### **U.S. team**

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Dr. Henry H. Gaffney, Jr. Director, Concepts and Assessments, CNAC

Mr. David E. McGiffert, Chairman of the Board, CNAC

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### **Russian seminar participants**

Captain First Rank Anatoly Belyaev, Operations Directorate, Main Navy Staff

Rear Admiral Yuri Bystrov (Retired), Vice President of the Kuznetsov Foundation, formerly Head of Administration, Main Navy Staff

General-Colonel Victor Yesin (Retired), Chief, Directorate of Military Reform, Security Council

Dr. Yuri Fedorov, Professor, Foreign Affairs, Moscow Institute for International Relations

Captain First Rank Boris Filin, Deputy Chairman, Naval Scientific Committee, Main Navy Staff

Dr. Manana Gousseinova, Senior Research Fellow, ISKRAN

Rear Admiral Konarev, Deputy Director of Operations, Main Navy Staff

Dr. Vassily Krivokhizha, Deputy Director, Russian Institute for Strategic Studies

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Dr. Mikhail Nosov, Deputy Director, ISKRAN

Dr. Sergey Rogov, Director, ISKRAN

Major General Leonid Simeikovich, Commander of the Strategic Rocket Forces Division headquartered in Vladimir

Dr. Igor Sutyagin, Head of Section, Military-Technical Policy, ISKRAN

Lieutenant General Nikolay Zlenko, Deputy Chief, Main directorate on International Military Cooperation, Ministry of Defense

Major General Pavel Zolotarev (Retired), President, Military Reforms Support foundation

# Discussions in Moscow

## Relations between the American and Russian Navies

### **Meeting with Admiral Kuroyedov, Commander in Chief, Navy of the Russian Federation**

Main Navy Staff Building, Moscow, 7 December 1998.

**Admiral Kuroyedov.** The Admiral remembered with gratitude his meeting with a CNA delegation in Vladivostok in February 1997. He has been working with Dr. Rogov for a long time. He had met Admiral Johnson, and had taken good and serious steps with DOE. He has a good protocol for joint work. These contacts set in train a series of events that led to closer Russian-American naval cooperation, including his planned visit next month to Washington at the invitation of the U.S. Department of Energy, where he hopes to increase the efforts. All commanders have financial problems. Many directions are coming to a head. He knows we have a big meeting in Suzdal where these problems can be discussed. Although he could not attend the seminar in Suzdal, he has asked Admiral Konarev to go to represent the Navy. He had worked with him in the Pacific. He can see ahead effectively and Admiral Kuroyedov trusts him. The Admiral eagerly accepted ("I am all for that") Admiral Smith's invitation to attend a dinner at CNA during his upcoming visit to Washington.

Recently, there was a meeting in Paris of the great navies. One idea floated at that meeting was to free the world's oceans of nuclear submarines. They would operate only in national waters. Dr. Rogov has his own suggestions.

**Ambassador Brooks.** Our two navies have in the past started discussing such issues as the rescue at sea of disabled submarines and the exchange of officers in submarine schools. We know that economic difficulties could make it difficult for the navies to intensify their

cooperation, so we at CNA see it as our task to look for more informal but still extensive contacts. We value working at sea, but there are no opportunities these days. Does the Russian navy intend to step up its activities in the Mediterranean?

**Admiral Kuroyedov.** I don't see economic problems—just tasks that need to be solved.

Just this past Sunday, a 16+1 NATO-Russia meeting took place in which my armaments deputy participated. One of the questions examined was the rescue at sea of submariners—just the issue you raised. We also discussed technology and joint scientific work. He will be ready to answer questions (about operations) in the near future.

Although the Russian Navy's presence in the Mediterranean has declined during the last three years, it does not need to be as active as the Soviet Navy was there. The two navies represent different states and have different goals. The recent deployment of the Black Sea Cruiser "Kerch" to the Mediterranean demonstrates that Russia can continue to operate there.

Russia is interested in further U.S.-Russian naval cooperation in the Mediterranean, but the two countries alone cannot solve the region's problems. They require the intervention of the international community as a whole. I plan to raise this issue in Washington with Admiral Johnson, and with my colleagues in Italy.

**Admiral Lopez.** During the past two years, I have been commander of U.S. naval forces in the Mediterranean, and in 1996 I had the opportunity to command Russian soldiers in Bosnia. The U.S. Navy recently conducted exercises in the Baltic and Black Seas. Although I don't believe any Russian naval units will be involved, we would be very interested in including them.

Thank you also for hosting Admiral Murphy. He told me he had a wonderful time. Admiral Johnson also sends his greetings.

**Admiral Kuroyedov.** In Bosnia you were working with airborne troops, not Russian marines or naval forces, though they are no worse. Our two Marine forces have good relations in the Pacific. I am

looking forward to meeting with Admiral Johnson. In our short period together we have had very good contacts.

**Admiral Lopez.** I spoke many times at the Marshall Center. I don't recall seeing anyone from the Russian Navy. Are there any plans for the Russian Navy to send anyone?

**Admiral Kuroyedov.** I am ready to consider this question, and to answer it positively.

**Admiral Lopez.** Admiral Ellis and I are eager to start multilateral exercises to promote transparency. Perhaps we could start this summer?

**Admiral Kuroyedov.** Russia does not always benefit much from participating in exercises alongside the navies of the smaller NATO and PFP countries. The recent U.S.-Russian exercise, "Cooperation From the Sea," gave Russian and American troops excellent opportunities to practice their skills. Training under combat conditions is very important.

I am a long supporter of CSBMs. It is easier for sailors to make progress in this area than for the other services.

**Dr. Rogov.** Great changes might be in store for U.S.-Russian relations over the next month. The Duma could ratify START II, for example. Other directions for future progress between our two countries could include CBMs, deeper analysis about our strategic forces in the next century (we need to think 20-30 years out), and movement beyond only arms control and CBMs. NATO activity in the Black Sea and the Baltic Sea can evoke diverging opinions in Russia.

We need to cooperate closely so as not to give the impression that any of us is acting against somebody. For example, the creation of a multinational NATO unit in the Baltic without Russian participation would be a mistake—especially if it included the nearest navies, like those of the Baltic states. Russia must not be isolated.

The scale of the tasks involved in managing our nuclear legacies from the Cold War also require multinational efforts. We also could profitably cooperate to better deal with the human dimension of our navies. Both navies are experiencing sharp force cuts, though yours



are not on the same scale. We might wish to consider some kind of joint retraining programs to help personnel find positions in the society.

**Admiral Lopez.** Could you elaborate on what you mean by the retraining of sailors.

**Dr. Rogov.** The professionals can better discuss this topic. An important issue is the lack of civilian employment opportunities near navy bases. Sailors often lack the required civilian employment skills. Specific programs are needed that are tailored to the specific regions.

**Dr. Gaffney.** It is important to note in this connection that army and air force people tend to live in big cities, where it is easier to find a job. Navies tend to be in remote places.

**Admiral Lopez.** We need to consider how to deepen naval cooperation. The exercises we do now are not war-fighting exercises. They involve helping people overcome floods, build field hospitals, build roads, or rewind motors. Both our navies have these skills, which could prove useful in, say, North Africa, where navies could help promote stability. A major task for navies in peacetime is to promote peace.

Admiral Kuroyedov. I very much agree. We discussed this issue at Vladivostok.

**Ambassador Brooks.** Americans have a problem in that we sometimes look as if we're trying to tell people what to do. One of the advantages of our being an unofficial group is that we can listen to the ideas of others, and help our defense leaders determine what policy proposals the Russians might welcome, and what they might see as interference. So I am interested in hearing what ideas you might have regarding areas where U.S.-Russian naval cooperation could prove helpful.

**Admiral Kuroyedov.** We should discuss major issues, and not those of the particular regions. All CBMs and practical work should be done in all areas, even in the Indian Ocean. I do not deny that good work is taking place in some theaters, but we need to expand it everywhere. This is my key idea for 1999, though there are specific suggestions.

**Admiral Smith.** Do you miss the Pacific Fleet? You can't see any ships from your Moscow office.

**Admiral Kuroyedov.** I do have ships, but only in summer, on the Moscow River. If you come in the summer, I'll give you a ride in my boat.

**Admiral Lopez.** I was struck by your thoughts about CNA helping to frame a global strategy for cooperation that would embrace all the theaters, but with room for each theater to have its own identity. If you look at North Africa, our level of cooperation is much lower than in the Pacific.

**Admiral Kuroyedov.** I agree. In expanding cooperation, we must allow for cooperation at the local level.

## Russian Military Relations with the West

### Meeting with Colonel General Ivashov, Director of International Military Cooperation in the Ministry of Defense/General Staff

General Staff Building, Moscow, 8 December 1998.

Also present were Major General Danilov and Rear Admiral Konarev.

**Ambassador Brooks.** We are an unofficial group, but we have close ties to the U.S. Navy and the Department of Defense. We would like to learn from you how the U.S. Navy can help promote good Russian-American relations. We have good connections with Navy leaders. They want to help but don't always know what is best to do. As we become partners in NATO, how can we *as navies* help?

**General Ivashov.** We are here at a decisive moment in the building of European security. It is important to promote ties at both the informal and formal level. The unofficial level is very important since participants don't feel the need to defend official positions. He welcomes close cooperation.

Our goal is that in the twenty-first century, we must be more than just declared partners. We should be actual partners, though elements of rivalry will naturally persist. This rivalry creates a lot of obstacles to

cooperation between Russian and the United States and other NATO countries. It hinders our cooperation on non-proliferation issues, as we saw for example in the India-Pakistan case. We can overcome our problems if we understand each other.

The signing of the Russian-NATO Founding Act was a great compromise, a great step ahead, but implementation is taking place too slowly, with obstacles. Several important changes are taking place in our relations. We are having more frequent contacts, our main military representative has been active, and a NATO delegation is here in Moscow. We are solving many problems. The Founding Act suggests three levels of cooperation: consultations for exchanges of opinions, participation in decision-making, and joint declarations. We have been able to exchange our opinions at the first level, but we have not been able to move to a higher level of cooperation, such as joint decision-making.

For instance, we only reached an agreement on Kosovo after much conflict between us. Russia had been suggesting a proposal that in the end NATO accepted.

NATO's New Strategic Concept is being worked out. It is intended to last for twenty years. We are now working on a new Russian military doctrine. We have proposed that NATO and Russian representatives work together to identify common principles. To say that we do not consider each other adversaries is not enough. Let's speak the truth to each other. We are either partners or enemies. But if one side takes unilateral actions, the other side sees it as a threat.

We must be ready to consult on all issues and at all levels. NATO, however, says it will compose its new concept first, and only then consult with us. This sounds to us like the old, Soviet-style system of decision-making, where the Politburo first takes a decision, and then promises to "discuss" it with others.

We would like to see stronger naval confidence-building measures [CBMs] between Russia and both NATO and the United States. We are presently hostage to the concept of nuclear deterrence, which requires each side to react to policy changes by the other. For example, the appearance of NATO submarines in our northern region

induces a defensive response on our side. NATO should promise not to deploy nuclear submarines there. Because we eliminated the Skrunda radar (in Latvia), we are blind in a significant sector. Our position otherwise must be an increase in the readiness of our forces. Similarly, although we are told that the Danish-Polish-German military unit will be a peaceful corps, we fear it will move its headquarters in an eastern direction. If so, we would have to react against it by stepping up our military ties with Belarus. Who will gain from this is unclear.

Thus, there are many questions. Realization of the term "partnership" takes many steps. The evolution of Russian defense policy is very important now. You should monitor it closely.

**Admiral Lopez.** I agree that the partnership must move beyond discussion. When I commanded SFOR in Bosnia, I saw this partnership in action as American and Russian soldiers worked as well side-by-side as we did with any of the 34 other countries.

We both have to face instability. There is a need for combined training. Preparing for peacekeeping doesn't take just war-fighting training. When I headed U.S. Navy forces in Europe as commander of AFSOUTH, we had the opportunity to work with Russian forces in the Black Sea and the Baltic region. Our joint exercises involved dealing with the consequences of floods and other humanitarian disasters. Both sides have skills to teach each other.

We want to learn of your plans for the coming year. The NATO Secretary-General has said the alliance must look to its south and east. His concern is instability in northern Africa and the Middle East. These are areas where U.S.-Russian cooperation could be profitable.

**General Ivashov.** It is very good when soldiers cooperate. It can help promote political cooperation. But it would be better if our politicians agreed more. It would facilitate military-to-military cooperation.

As for joint activities with NATO, and on the threats from the south and east, our forces have to look different and move differently. He is worried that the Baltic states are to be included in NATO. NATO is preparing to deploy military units out-of-area. He is anxious about

the Baltic states modernizing their bases. Despite the nice and probably sincere statements of NATO officials that such steps do not present a threat to Russia, as military officers, we must react.

Russian officials seriously doubt that NATO has the capacity to solve the problems of North Africa and the Middle East. NATO is a military organization. When military men are asked to solve an issue, they immediately start counting how many divisions are involved. Preserving stability in North Africa and the Middle East is really a political problem, and should be left to the diplomats. NATO should not spread its influence there. The situation in the Middle East is getting worse (despite the Wye Agreement). Who is making it worse?

The Arab world is concerned by two developments. First is Israel's development of weapons of mass destruction (WMD) and medium and long-range ballistic missiles forces. Arab governments to look for countermeasures. Second, Russia is concerned by the Israeli-Turkey military alliance. Turkey is a NATO member, and takes aggressive actions in Cyprus and against Greece. It was on the edge of a military confrontation with Syria, and regularly sends troops into northern Iraq. All the countries rearming will cost \$50 billion. If NATO wants to ease tensions in the area, it should restrain its member, Turkey. This would also help Russia by easing tension in the Caucasus.

**Admiral Lopez.** He looks at the glass as half-full, not half-empty. Greece and Turkey is a NATO problem. They are seeking to improve relations through a military dialogue and other measures. Military-to-military ties also can be a catalyst for positive change elsewhere, such as North Africa. But I agree that the military can't solve such issues alone. They require a triangular partnership among the military, politicians, and business.

**Admiral Brooks.** Admiral Lopez spoke of the value of sharing information. You spoke of the difficulties presented by the loss of the Skrunda radar. One idea that has been raised is for Russia and the United States to share early warning information. Speaking unofficially, is this an idea we should encourage our allies to push?

**General Ivashov.** Information sharing is a good confidence-building measure, but we have to go beyond this. We are a hostage of mutual deterrence, which forces us to react to each other's actions.

**Admiral Smith.** My own experience in Brussels makes me share your frustrations with the NATO decision-making process. Every nation shares the frustration that more good ideas are proposed by the members than can be discussed and implemented. The Russian delegation must understand these limitations. There is no consensus yet on which way the Strategic Concept will evolve, so Russian delegates have an opportunity to try to shape its outcome. France, Germany, and the United States disagree in many areas.

**General Ivashov.** The establishment of the NATO-Russia Permanent Joint Council is a great step forward, but its first meeting showed it was unprepared to discuss serious issues such as military infrastructure, which provides indications of future military aggression and threatening military situations. Russians cannot understand why the new Concept says that NATO's main task today is still collective defense, as it was 50 years ago. They also do not understand why NATO needs 50 ground divisions. Who does NATO plan to defend against with such powerful forces? The main threats to European security today come from terrorism, narcotics, WMD and ballistic missile proliferation, etc. Europe does not need a huge military machine to deal with these contingencies. We consider "collective defense" as directed against Russia.

**Admiral Smith.** One should look at this issue from NATO's perspective. NATO forces have already fallen by 40%, and the stringent financial requirements associated with the adoption of a common EU currency will likely result in a further reduction in European military forces. The alliance's military leaders feel they barely have enough troops to carry out the peacekeeping operations NATO is involved in. Their focus is on managing instability in the Balkans, not on Russia.

**Dr. Gaffney.** American leaders also want to retain sufficient forces to deal with a future conflict on the scale of the 1990-91 Persian Gulf War. As long as Saddam is around, American security officials, as well as their British counterparts, will worry about such a development.

**General Ivashov.** I understand NATO concerns about the situations in the Balkans and the Persian Gulf. But we have proposed to NATO that we sit down together and create a joint center to follow developments there. We can help inform the OSCE and the UN about dangerous developments in these regions, which will make it possible to take appropriate political and diplomatic measures. We do not rule out the use of force under some circumstances. Another issue is that NATO involvement in peacekeeping operations should require UN or OSCE approval, so we need a common approach to regions of conflict.

At present, NATO still approaches problems on the basis of its principle of collective defense. NATO is expanding its zone of responsibility and is taking decisions without the participation of the UN. It grabs issues that should belong to other organizations. NATO's involvement in peacekeeping is a secondary function. The alliance's main function, and the guiding force behind its training, are attack and defend operations.

**Admiral Lopez.** Secretary General Solana sees the importance of NATO in preventing conflict, but politics and economics also can help prevent conflict.

The United States already has withdrawn two-thirds of its military forces from Europe. I would like to see the United States stay involved in Europe. Twice this century we had to fight wars there because we were not already on the scene to influence events and prevent conflicts.

**Admiral Konarev.** Russians cannot understand why the U.S. side is so negative whenever Russians raise the issue of CBMs at sea. These would include advance notification of deployments near Europe, a wider use of observers, and increased visits to one another's naval bases. U.S. representatives refuse to even discuss such measures. They claim the Russian proposals will hinder their freedom of navigation and will reduce U.S. flexibility. Yet, the Russian Federation is proposing to limit only planned operations, not restrict contingency operations. We are also directing our proposals only to the peaceful OSCE region, where it is easier to plan for, and not the Gulf. In essence, we just want to extend the Vienna accord to the sea.

**Admiral Lopez.** I ran my command in a very open and transparent way. I will carry your message—that you want more dialogue and transparency—back to the navy.

**Admiral Smith.** One of the problems goes back to the 1991 CFE Treaty. It provides for transparency and CBMs on land, but excluded naval forces.

**Ambassador Brooks.** One reason why some Americans are worried is that the Russian proposals call for notification of planned naval operations well in advance. Naval leaders are concerned because they frequently must make changes in their planned operations at the last minute. They also do not want to limit their flexibility, which they see as one of the strengths of the U.S. Navy.

Proposals to limit the operations of submarines present a special problem. Even the Incidents at Sea agreement exempted submarines from its provisions because of their unique operating requirements.

We will need to start with small steps and proceed from there. This is less than you might like, but more than the U.S. Navy would be happy with.

**Admiral Konarev.** We recognize the special problems associated with submarines. Neither side wants to exchange information about their activities. A first step, however, might be to limit the use of our submarines near each other's coasts. The exchange of information could reduce the possibilities of accidental collisions.

**Admiral Smith.** Russians should not be too alarmed about the discussions concerning possible NATO operations without UNSC mandates. NATO does a poor job at discussing these issues. The other countries will probably accede in principle to U.S. proposals for NATO to be able to act without a mandate, but when it comes to an actual case, they will not allow it to happen.

**General Ivashov.** Thank you. I hope this to be the case.

**Admiral Brooks.** Thank you. We have some interesting messages to pass on to our officials in Washington.



## The Prospects for Ratification of START II

**Meeting with Chairman Vladimir Lukin and Duma Representative Vladimir Averchev**

The Russian Duma, Moscow, 8 December 1998

**Ambassador Brooks.** What will happen to START II?

**Mr. Lukin.** I do not know if it will be ratified. The current government is very interested in its ratification and is friendly to the leftists in the Duma. The left-wing members of the Duma maintain a vigilant and unfriendly silence on the issue, but do not want to vote down a proposal from the government. We need pressure on them from Prime Minister Primakov and First Deputy Prime Minister Maslyukov. Our committee is preparing a proposal for the President, who must submit the final proposal back to the Duma. By law, the Duma must then vote up or down on the presidential proposal as it is submitted, without attempting to amend it. But today the debate on START II was postponed yet again.

The timing of the President's proposal is important. If the Duma considers START II at the same time as the budget, the legislators will try to secure changes in the budget in return for voting in favor of ratification. The government is at a disadvantage in this regard. The Duma can wait forever, whereas the government is in a hurry to resolve the issue.

**Ambassador Brooks.** Suppose START II is approved this time. The U.S. government plans to act very quickly thereafter to proceed to START III, as we did with START II. We all mistakenly assumed START II would be approved quite quickly. It would be very disappointing to encounter the same problem this time—that is, we work hard on START III only to find that it cannot be approved by one or the other country.

**Mr. Lukin.** The big problem the Duma will have with START III is the same it has with START II: the Russian government is unable to guarantee that it will financially implement any arms control treaty. The Duma's Defense Committee has sent a letter to the President about

this issue, which has already complicated implementation of the Conventional Forces in Europe (CFE) Treaty and the Chemical Weapons Convention (CWC).

Another issue is that, even if the Duma ratifies START II, it will wait for the U.S. Senate to ratify the New York agreements before proceeding further.

**Admiral Lopez.** In your budget deliberations, do you provide for adequate funding for the military in terms of salaries and quality of life? We in the United States are finding it hard to recruit people, and we expect that Russia is encountering similar problems.

**Vassily Pospelov.** The new government pledges to do its utmost to meet its current payments, but the question of unpaid salaries and benefits in the past remains unresolved. The government has promised in the second half of the year to increase military salaries. The last salary increase was in 1995, and inflation has been running at 100% since then. There also has been a discrepancy between the payments to the internal troops and those to the Army. The internal troops are paid about twice as much.

**Dr. Gaffney.** But if you pay for increased salaries and supplies, how will you be able to purchase Topol-M?

**Mr. Averchev.** The problem is which do we do first: pay salaries, reform the economy, or implement START II and the CWC. When the Duma did not ratify the CWC, many people criticized us for being reactionary and anti-arms control. So we did ratify it, only to find the problem is complicated by the fact that strategic forces are not like chemical weapons. Chemical weapons are seen as totally useless, while strategic weapons have important uses. We believe it is absolutely necessary to retain strategic nuclear weapons for at least the next 10-12 years.

START II is more useful now than it was five years ago, taking into account the Helsinki accords. But we must find a way to implement the treaty.

**Dr. Gaffney.** The problem of the budget is the lack of revenues, since so much of the economy involves barter and thus many tax exemptions.

**V. Pospelov.** The problem with our barter economy is that it is never clear when you can collect the money. Many schemes have developed that make it easy to avoid paying taxes.

**Ambassador Lukin.** We followed your advice to dismantle our totalitarian state, and now we have lack of taxation, criminality, etc.

**V. Pospelov.** It is easier to catch a Russian criminal abroad, through cooperation with foreign governments, than it is to catch him in Russia.

The Russian Federation already has done preliminary work on START III, and is looking carefully at all the mistakes that were made in START II.

**Mr. Lukin.** We will need to deal with the problem of "upload potential," so we may need to lower the START III limits to 1500. But basically such negotiations already are underway informally even though the U.S. Congress has prohibited formal talks.

**Dr. Gaffney.** Strobe Talbot, Steven Sestanovich, and other senior American officials will be in Russia this weekend. Will the discussions with them center on economic or strategic issues?

**Mr. Lukin.** They just want to learn what is happening in Russia now. For the first time, U.S. officials are coming here not to teach us, but to learn.

**Ambassador Brooks.** Besides START II, what else is your committee mostly concerned with?

**Mr. Lukin.** I don't anticipate anything of comparable magnitude. There will be a new NATO summit in the spring, at which time the alliance will adopt a new strategic concept. I expect there to be a pause in further expansion.

**Dr. Gaffney.** We want to give possible new members an incentive to continue to behave well.

**Mr. Lukin.** All big alliances have been destroyed through enlargement. I do not want to see this happen to NATO too.

**Admiral Lopez.** Will the Duma attempt to link START II ratification to restrictions on precision-guided munitions (PGMs)?

**V. Pospelov.** This is unlikely. First, experts don't know how to define them. Second, the United States would never agree to such limitations.

**Mr. Lukin.** The basic escape clause in START II is that each country can withdraw if actions by the other party present a serious threat to its security.

**Admiral Smith.** Unfortunately, the U.S. Air Force, in trying to defend its budget, is being very aggressive with plans that do not have Congressional or SECDEF support. These ideas, such as the airborne laser, will not receive funding, but they continue to complicate our relations.

**Ambassador Brooks.** The U.S. Senate probably will easily approve the extension agreement, but the theater ballistic missile defense (TBMD) demarcation agreement likely will prove more divisive.

**Mr. Lukin.** The Duma will not ratify START II unless it receives assurances that the Congress will ratify the Helsinki accords. We are interested in working together with the United States and perhaps other countries on ABM issues to meet the new proliferation threats, but any measures must proceed within the START frameworks.

**Admiral Lopez.** The U.S. Navy is pursuing theater ballistic missile defense (TBMD) to defend against rogue states like North Korea. Does this concern Russians?

**Mr. Lukin.** The New York agreements are far from ideal in this respect. Technology is developing very fast. What we need is to create a mechanism for permanent consultation.

**V. Pospelov.** The Europeans are concerned about U.S. isolationism and U.S. national missile defense (NMD).

**Ambassador Brooks.** This is a very perceptive analysis. There is a mood in Congress in favor of NMD and in favor of limiting U.S. involvement in the world, but not in favor of isolationism. U.S. isolationism is not a serious possibility.

You mentioned a concern with "upload potential." Things can be done in follow-on negotiations to help with this. For example, we could limit warheads rather than missile tubes. Do you know of any potential ideas along these lines that would be popular in Russia?

**Mr. Lukin.** It would be best to discuss this issue with the Russian military as well as with Alexey Arbatov and General Dvorkin.

**Admiral Smith.** President Clinton has been pushing missile defense in Europe since 1994. But the French see the U.S.-proposed MEADS system as an attempt to force Europeans to buy American. So the discussions in NATO have gone in circles. The basic issue has been how to take a U.S. system, and make it something Europeans can build.

Any multilateral discussions involving Russia would have to be based on a lowest common denominator system. To make real progress you would have to work bilaterally with the United States. Europeans are now primarily concerned with jobs than with the military urgency of the program.

**Admiral Lopez.** How will the Russians regard local missile defense involving U.S. ship-launched missiles?

**Mr. Lukin.** It is understandable that Russia has much more in common with Europe in terms of missile defense than with the United States. This is why multilateral talks on ABM, with the United States and maybe Canada on one side and Russia and the Europeans on the other, would be good.

**V. Pospelov.** But to make such a breakthrough, one has to take into account the whole scope of our negotiations. The timing is bad. With respect to the Caspian oil issue, for example, the U.S. Government (USG) is pushing for a pipeline through Turkey, despite the opposi-

tion of U.S. oil companies. The USG wants to push Russia out of this region, which is quite naturally a zone of Russian interest.

**Admiral Lopez.** This area has many valuable resources, but is an area of unrest. If one approaches the important Caspian oil issue from the point of view of stability, then one would not want to see the oil flow through Iran and the Gulf, which are very unstable regions. We don't want to make the world economy any more dependent on the Persian Gulf.

**Ambassador Brooks.** Even if Iran had a good government, oil shipments through the Gulf would be vulnerable to interruption. Caspian oil is seen as valuable precisely because it does not need to pass through the Gulf.

**Admiral Lopez.** We recognize that the Caspian is a traditional area of Russian interest.

**Mr. Lukin.** We will hold hearings in the Duma on this issue early next year. But we expect others to recognize that these regions are very close to Russia for security and other reasons.

## Russian Foreign Policy

### Meeting with Vassili N. Istratov, Deputy Chief of the North American Department

Ministry of Foreign Affairs, Moscow, 9 December 1998

**Mr. Istratov.** Thank you for inviting me to your conference at Suzdal. Unfortunately, I won't be able to attend because I am busy dealing with the visit of other senior Americans, including Strobe Talbot.

Next week there may be a real attempt to ratify START II. I have been involved with START II for the last five years. Today it is closer to ratification than at any time since Chernomyrdin made a strenuous effort last year to secure its ratification just at the time he was fired.

When former U.S. Secretary of Defense Perry appeared before the Duma, he used lectures and diagrams to try to persuade the Duma members to ratify START II. But the fact that the U.S. Department of

Defense (DOD) pressed for ratification so vigorously only aroused suspicion. The reaction was 100% negative. President Clinton's indications that he would not attend another summit in Russia until after START II's ratification also backfired. Yeltsin's enemies in the Duma saw such linkage as a convenient way to present him with another problem.

If the Duma takes up the issue of Russia's next budget before START II, the treaty will immediately become part of the budget deals. It is better that ratification come first.

The odds of ratification are 50-50, whereas a few months ago they were 95-5 against. The main reason for this shift has been the changes in Russia's internal political situation, especially the transformation in the relations between the Duma and the government because of the appointment of Primakov. Kiriyenko could not have done it.

You know that the Duma approved the CWC late last year. But despite its pledge, the government has not provided the funds to implement the treaty—and those financial problems preceded the black day of August 17, 1998. The Duma fears a repetition of this in the case of START II.

Since many Duma members know little about strategic issues, the Ministry of Defense (MOD) will play an important role in the START II ratification process, as it did in START I. The MOD still enjoys the Duma's trust. How many nuclear weapons Russia keeps or needs is up to the military. Many Duma members rely on the opinion of General Gromov, the hero of the Afghanistan war (Gromov is a member of the Duma).

**Ambassador Brooks.** START II has gotten in the way of other issues. What do you see as issues that we are not dealing with but which should be dealt with bilaterally?

**Mr. Istratov.** Iran is the worst headache in our relations. It has already surpassed NATO and START II in terms of its prominence in U.S.-Russian relations. The Americans are always on one note: at one time it was NATO; then START II. Now, each American delegation that

visits Russia—whether from the Congress, the State Department, or DOD—raises Iran.

There is a problem, but it should be worse for Russian than for the United States. Iran will not threaten the United States for years. Iran is a neighbor of Russia. We are naturally reluctant to sacrifice ties with a close neighbor for something we do not totally understand. Practically all our relations with the United States touch on this one issue. Russia can do some things, and we are doing them, but there are some things we can't do. For example, we are not prepared to introduce a police state to control illegal exports to Iran. Iran is changing. It has severe financial problems with the drop in oil prices.

The preoccupation of the American side with this issue hinders the development of our relations. Although we understand some 90% of Americans' concerns, and Russia has its own concerns, we fail to understand all American worries.

**Mr. McGiffert.** What is the 10% concerning U.S. policy toward Iran that Russia does not fully understand?

**Mr. Istratov.** You are too preoccupied with it. For example, Americans tell Russians that you will not get space cooperation unless Russia gives in on Iraq.

**Admiral Lopez.** From a military and security standpoint, and as NATO CINCSOUTH and USCINNAVEUR, we always wanted a positive relation with Russia. I am not anti-Iran, but I am concerned with the security problems if all oil were to be transported through the Strait of Hormuz. We recognize that Iran is changing. Yet, when I raised the issue of Caspian oil security with Mr. Lukin, my comments were immediately interpreted as anti-Iran, which they were not. I would have the same concern if all the oil flowed through the Bosphorus.

I do not see Iran as the enemy. I see instability as the enemy.

**Mr. Istratov.** Russia shares these concerns. We had hopes that they would moderate after their presidential election. We do not want Iran to have high-technology weaponry, even though we recognize that



Russian arms manufacturers need foreign buyers, given Russia's current economic problems. Even today 95% of Iran's weapons are still of U.S. origin, and that means little. Russia has existing arms contracts with Iran, and how we will fulfill them given our commitments to the United States is unclear. There is a contradiction here.

I am surprised how much our relations depend on just one issue at a time. Each year we seem to face a new preoccupation that occupies Americans 80%. Last year's issue was START II ratification. Now it is seen as less important. This year Americans are preoccupied with Iran even though little has changed since last year. He suspects that the Americans are less preoccupied with START II because they see the Russian force disappearing.

**Mr. McGiffert.** What will be next year's issue? Is there a particular issue you want to push with us?

**Mr. Istratov.** Yes, economic relations. Look at the steel issue [the U.S. has protested that Russia is dumping steel]. The steel industry has privatized. They're doing what they need to do. We had been taught for years that capitalism was robbery. Now we are being told that the steel industry is not being "fair." Our space industry is ready to undertake more commercial launches of American satellites. But everything depends on Iran. Sometimes we are told we have to punish some Russian firm for acts we cannot determine actually took place. We cannot be dependent 100% on the United States. We have to do things ourselves. We are not all that dependent on the Russian government either.

CFE and NATO expansion are also problems. The Flanks are important to our security. NATO is expanding at a time when our two sides are unable to come to an agreement on the Flanks. We are the only country in Europe that cannot be accepted into the alliance. If there is a club for people who are not bald, and you are bald, you are naturally unhappy.

We will continue to have problems related to the ABM Treaty. There also will be issues that appear and disappear over time, such as Iraq and Kosovo.

Other problems arise from time to time, e.g., Iraq, Kosovo. With respect to Iraq, we share the same deep goals. We just disagree how best to attain them. CNN is a problem here, since all governments today depend on public opinion. CNN tends to portray everything in black-and-white, good guys versus bad guys. The Serbs are bad, and the Bosnians are good. In Kosovo, you have a civil war in which all sides are good and bad at the same time. They each see themselves as absolutely right. Although CNN has tried to show this with respect to Kosovo, it is difficult because it seems the same bad guys that were active in Bosnia are at it again in Kosovo. The same is true with respect to Iraq, where the same bad guy is still in charge. Everyone gets used to the Hollywood way of waging war. In Chechnya, the image was that of a brave little tribe fighting for its independence against an evil empire.

**Admiral Lopez.** I felt the same way about CNN when I commanded IFOR. It was easier for me to consider everyone a potential bad guy, a threat to security. Forty seconds is not enough to tell the story.

**Mr. Istratov.** He had done his Ph.D. dissertation on the conflict in Northern Ireland. Both sides were supposed to be right in that case. The Serbs see the Kosovars as latecomers to Kosovo. The weak reach for claims that their human rights have been violated.

**Admiral Smith.** Do you think the Gore-Primakov discussions will become more important given that Primakov has more support in the Duma than his predecessors?

**Mr. Istratov.** Too much depends on person-to-person relations in diplomacy, though better relations between persons means better relations between institutions. Primakov has exceptionally good relations with Albright, something neither side expected. The Gore-Chernomyrdin forum got better gradually. Institutional factors favor a good Gore-Primakov relationship.

**Ambassador Brooks.** Another reason why Gore-Chernomyrdin relations were effective was that it was the only U.S.-Russian channel that got things done. Will things improve with respect to the other channels?

**Mr. Istratov.** Both had made personal investments for the future. Leon Fuerth is visiting tomorrow to sort out the next round of talks.

**Dr. Gaffney.** Chernomyrdin had an active President. Primakov is now in effect both President and Prime Minister, so maybe he will not have as much time as Chernomyrdin to put into his talks with Gore.

**Mr. Istratov.** It is too early to write off the President. Our press treats Primakov as a kind of Vice President, but we have had bad experiences with Vice Presidents in the past in both Russia and during the Gorbachev period. Even the American Vice President does not know what to do with his job.

**Mr. McGiffert.** Has the Lewinsky scandal affected Russia's dealings with the United States?

**Mr. Istratov.** It hasn't in any way. No one outside the United States fully understands this issue. Foreign Minister Ivanov has been told not even to mention the issue. I never felt it affected our bilateral ties, though Russian officials were surprised by how many questions regarding the scandal American journalists asked Clinton when he visited Russia this September.

**Mr. McGiffert.** You do not see the USG weakened by this?

**Mr. Istratov.** Only by a little, because your President has to spend time on the scandal that he could otherwise allot to foreign policy issues. It might have had a greater impact if it looked like he would have to resign, but we never considered that a real option.

**Dr. Gaffney.** Do you think the scandal has affected U.S. decision-making on International Monetary Funding (IMF) lending or other issues?

**Mr. Istratov.** It is unclear. The scandal might have forced the President to try to look more forceful in the area of foreign policy. For example, he would be more reluctant to admit failures in his policy toward Russia. But we can't be certain that if the scandal had not drained so much of his time, he would not have been preoccupied with something else.

**Admiral Smith.** Can we talk about the ABM Treaty? Where is the solution?

**Mr. Istratov.** The Russian position is quite simple: we have an agreement from 1972 and we must stick to it. Ballistic missile defense is seen as destabilizing, even politically. Politicians might think ABM would make it possible for them to blackmail Russia. We can't produce anything of the sort. But then our experts say that a defense can never stop more than 98% or even only 80% of an attack. You never know, though.

**Admiral Lopez.** The international situation today is completely different from that which existed in 1972. Today the only enemy is instability. There are rogue states that have access to SCUD missiles and other weapons. The nations have to cooperate together to protect ourselves from them. How do you deal with the rogues? Can you do it within the interpretations of the ABM treaty? Don't you have to cope with the firing of isolated missiles?

**Mr. Istratov.** The only way to approach this topic is in a united way. Unilateral measures will only arouse suspicion. It was much easier during the Cold War, but then one side couldn't afford defense anymore and collapsed. Some of our military experts are interested in defending Russia from ballistic missiles in the twenty-first century.

**Admiral Smith.** Decision-making was easier during the Cold War, but I still prefer to deal with today's problems of instability than with the Cold War.

**Ambassador Brooks.** We had many talks on the ABM issue when I was in government. Many Americans think that for seven years we tried to modify the ABM Treaty to deal with the problems of the twenty-first century, and the Russian side showed no interest in this. A Clinton or Gore Administration would never abandon the treaty. Today a minority of Americans, which could become a majority after the next election, wants to proceed with ABM systems with or without Russian consent. This would be bad for both of us. Only a small group wants to scrap the treaty entirely, but a larger group sees BMD as necessary to deal with next century's threat.

**Admiral Lopez.** Europe is an arena of overlapping organizations—economic, political, and security. In addition, each of the individual countries has its own identity. How are your relations with NATO affecting your relations with Germany and other European countries?

**Mr. Istratov.** In some cases they do affect our bilateral ties, especially in the case of the United States, Turkey, and perhaps other states. But in other cases, such as our relations with Iceland or Ireland, they have no impact.

The importance of the European Union (EU)—the idea that you must deal with Brussels and not the capitals of the individual European states—is still not always understood by Russians. We are more used to dealing with NATO as an institution, but in a special way—as an organization that threatens us. We have had a hard time—but so does NATO in finding a new role. Turkey is a problem. We find it easier to deal with Greece, and we sometimes find them an ally on NATO issues.

**Dr. Gaffney.** Are the Turks brandishing their membership in NATO in their relations with Russia?

**Mr. Istratov.** I have never dealt with Turkey, but I suspect so. Greece is another NATO member, however, and we have a completely different relationship with them because of historical, religious, and other ties.

**Admiral Smith.** I recognize your government's concerns about being a member of NATO, but we never hear about Russian concerns about not being in the EU.

**Mr. Istratov.** No one in Russia is alarmed by EU expansion—even to Estonia. Theoretically, Russia could be a member of the EU. But if NATO retains Article 5, Russia can't become a NATO member because we have border problems along our whole perimeter. NATO as it is currently organized can't assist us with our major concerns in Central Asia, the Caucasus, and other regions. We would require special treatment. It would take another organization.

**Admiral Smith.** I was thinking of EU membership for, say, a country like Hungary. Hungary spends only 2% of its GDP on defense, and thus 98% on its economy. Thus, its defense efforts, even when in NATO, can hardly affect its relations with Russia. But when it joins the EU, Russia's economic and other ties with Hungary will suffer—presumably a concern to the Russian Ministry of Foreign Affairs.

**Mr. Istratov.** They already are turning to the West. We have no economic relations with Hungary. Most Hungarian exports flow westward. But Russia's influence within the EU might be strengthened by Estonia's incorporation, for example. Our military is not thinking in such ways. They believe that the closer NATO moves toward Russia, the worse for Russia.

Hungary joins NATO because it wants to be a member of the club, not because it's afraid of an outside threat. These countries want to join the EU so that they can become members of the European club as well as to improve their economies, but the EU is beyond their reach now. It is easier for them at present to join NATO, which moves them closer to Europe.

**Admiral Lopez.** To survive, NATO must change. When you hear Solana say that NATO must look to the south and east, this implies less emphasis on Article 5. But Russia doesn't agree that NATO should be involved in North Africa. If NATO goes in that direction, won't it be less threatening to Russia?

**Mr. Istratov.** NATO is a glorious thing that functions well. If you have something that works, why discard it? It seems better to find something else that it can do. What other use can you find for a defense organization other than to use it against someone else? That is why NATO is re-orienting southward even though there is not yet much of a threat there. We have to face the south too, but we don't think NATO can help us.

I was very concerned about NATO's plans to use force in Bosnia in 1994 because the likelihood was high that NATO would employ force without results. A failure in Bosnia would make others less reluctant to mistreat their own minorities. But now we have another problem. The fact that NATO's first use of force was successful from the point

of view of public opinion could encourage NATO to use force elsewhere.

**Admiral Lopez.** But this was a reactive policy. Solana wants the alliance to adapt a more proactive policy and prevent conflicts.

**Mr. Istratov.** Russian relations with NATO are a long-term matter, but over the last year we can hardly see the future anymore. We can only see to the year 2000 right now, to the election. We don't know what we ourselves will be. The future becomes all speculation. The Cold War was easier: we could plan way out.

**Dr. Gaffney.** At this point all strategists and diplomats become economists. What Russia must do is restore its economic health. Where do you think the economy will go?

**Mr. Istratov.** The real war we face is about our economy. We need as many allies for that war as we can. The goal of Russian foreign policy is to establish a favorable environment for our economic renewal.

## Prospects for START II; Russian Defense Programs

### Meeting with Alexey Arbatov, Deputy Chairman of the Duma's Defense Committee

The Russian Duma, Moscow, 9 December 1998.

**Ambassador Brooks.** I want to get your thoughts on two issues. The first one is the upload issue. Have you thought about how we could solve this problem? The U.S. Navy doesn't want to have to buy more D-5 missiles, which will be hugely expensive, to fill the four Trident boats we would have to keep if START II were not ratified.

**Dr. Arbatov.** Vladimir Dvorkin and others are working on this issue. He says we should reach agreement on START III quickly, even as a protocol to START II. We want to make START III as simple as possible. The upload problem will be the only serious issue we must deal with in START III. We can defer the other issues to later negotiations or other arenas.

I suggested to you a while ago that we use the intermediate nuclear forces (INF) precedent—that is, we can crush the nose cones and warheads that are removed. This would provide sufficient guarantees against cheating. Neither would have the option of quickly re-assembling its forces. We also will need a secret protocol to account for warheads that we have downloaded and stored. Each side has produced more warheads than missiles.

This will involve a new level of information sharing. Each side will be able to tell potential critics that serious measures have been taken to deal with the other side's upload potential.

**Ambassador Brooks.** I like that idea. Let me raise a harder issue. Every time we have talked since Geneva, I have said there was no chance the United States would walk away from the ABM Treaty. This is still true for the current administration. But there have been changes, in some things Bob Bell has said, the Rumsfeld report, and North Korea's testing of a multi-stage missile. I have been struck by the increased interest in the United States in national missile defense, which requires us to consider changes in the ABM Treaty. But there is no intention to change the strategic balance.

What worries me is that a future USG will propose changes in the ABM Treaty, and will propose withdrawing from the treaty if Russia sticks to its traditional negative position. Some of us are trying to think about what kind of negotiated changes could be made to show that we Americans are not trying to damage Russia's current capacity. For example, we might assure Russia that we would not withdraw from any amended ABM Treaty for a number of years.

**Dr. Arbatov.** For the next 10-15 years, I am not worried about the possible threat from American BMD to Russia's deterrent. But I am concerned about its potential impact on the relations of the United States and Russia with Europe and China and Japan. U.S. allies would ask, "What about us? Our cities are just as vulnerable." MEADS would not be seen as sufficient. The United States, as usual, may try to resolve its difficulties with its allies at Russia's expense.

China could present a special problem. A visiting delegation from the U.S. House of Representatives said that the NMD they wanted would



be size to the Chinese threat. China will see U.S. BMD as a denial of China's strategic deterrence, its sovereignty, and its place in the world. China is a legitimate nuclear power according to the NPT Treaty. Americans never expressed concern about China's nuclear weapons when they were aimed at the USSR. Yet, now they give ambivalent answers about China's being able to deter the United States with nuclear weapons. China's negative reaction would have bad implications for a number of countries, including Japan and India.

There are three possible ways to deal with this issue.

- First, the bad way would be for the United States to withdraw unilaterally from the Treaty. This would have extremely disruptive effects on U.S.-Russian relations, especially with respect to the future of strategic arms control, and also would have bad implications for China and other countries.
- The second way, a negotiated revision, would be less disruptive but also very complex—and still bad. This would involve Americans' using the threat of withdrawal to force Russia to agree to revise the treaty. Given Russia's dependence on the United States for financial assistance and the vulnerability of its strategic situation, Russia might go along.

Russians would not see such a path as a catastrophe if:

- It did not threaten the security of Russia's nuclear deterrent;
- Russia had the option to deploy its own BMD sometime in the future when it gets enough money and when it faces threats from third countries;
- Space-based interceptors would remain excluded;
- START III or START IV would permit Russia to re-deploy land-based MIRVed systems to allow Russian nuclear forces to better penetrate the U.S. ABM system. This would not involve heavy MIRVing of heavy ICBMs, but light MIRVing of light ICBMs. Traditionally MIRVs and ABMs have been closely linked.

The United States also would have to pay a price with respect to other issues, such as NATO expansion, increased financial assistance, etc.

- A third way, which would be the best path, but is most difficult because it increases the problems of other countries, would be for the United States and Russia to proceed jointly. We would jointly revise the treaty and jointly deploy BMDs. In this case space-based interceptors would be acceptable and Russia would not need MIRVs.

The problem with this option is that it would require an agreement between both of us and with other countries. It would, however, make us intimate strategic allies—more intimate than Great Britain and the United States. Our level of cooperation would be so high that other issues, such as NATO expansion, would fade in importance.

If both sides were to pursue this option, Russia's financial problems would not matter. The United States would provide the bulk of the financing and the high technology, whereas Russia would contribute its cheap labor and its production facilities.

I am publishing an article in the United States on these issues, which I will then translate into Russian.

**Ambassador Brooks.** The third idea is very interesting. We can see the hundreds of obstacles, but the payoff could be great.

How is Russian military reform progressing, from the Duma perspective?

**Dr. Arbatov.** Not very well. Unlike with Grachev and Rodionov, who were simply short of ideas, this is primarily because of the negative financial environment. Sergeev is an ardent advocate of reform, but precisely at the time he assumed his position, the money disappeared.

We are reducing our armed forces and integrating the services and districts, but progress is starting to get bogged down because of the lack of funds. Funding for national defense this year is only at 30% of the planned level. That was only 25 billion rubles, which is equivalent to \$1.5 billion. All of it goes for pay and maintenance, which has negative implications for combat readiness and other issues besides military reform. Even the reductions in troop strength have slowed down because we can't meet the legal requirement to provide discharged officers with housing.

Sergeev's relations with the rest of the military are worsening because he appears unable to secure adequate military funding. This is related to the problem of having a military man as Minister of Defense. By definition he must be the best officer and enjoy the respect of his military colleagues. If President Yeltsin put his full weight behind military reform, or if a civilian were Minister of Defense, the problem of military reform would be harder in some respects, but easier in others.

Right now, there is an acute argument over the creation of a joint strategic command.

**Ambassador Brooks.** We struggled with the same issue for thirty years, and none of the problems people anticipated came to pass.

**Dr. Arbatov.** The issue for us is different. We are forced to promote jointness for financial reasons, i.e., to make savings.

**Ambassador Brooks.** Yes, you are doing it because someone must lose. We could do it in a way that no service suffered financially.

**Dr. Arbatov.** It also requires substantial modernization, and that's not probable, especially in command and control.

With respect to START II ratification, the Prime Minister is preoccupied on other issues. He made a blunder when he crudely linked START II ratification to further IMF assistance. If the IMF fails to offer help, the Communists could turn against START II. His other serious error so far was to fail to take the lead in condemning General Makashov's anti-Semitic remarks.

I am worried about Sergeev's future. He may be forced to oppose the next budget and resign. He already has started to complain publicly about the lack of military funding. Or if he goes along with the government, he could completely lose his authority within the military. There is no appealing substitute for him on the horizon.

**Dr. Gaffney.** The International Institute for Strategic Studies says Russia spends the equivalent of \$65 billion a year on defense.

**Dr. Arbatov.** That is more than our entire federal budget!

**Dr. Gaffney.** What will happen to the Russian economy? What will it take to turn it around?

**Dr. Arbatov.** This depends on the IMF. As of now, there is a sort of dance between the IMF and Primakov. The Prime Minister says the IMF should give him its plans for restructuring Russia's debt, and that then he can give it a budget. IMF representatives tell Primakov that he must first give them a budget draft, and then the IMF can propose how Russia can restructure its debt.

**Dr. Gaffney.** There is a shortage of rubles in the city.

**Dr. Arbatov.** The only way to save the Russian economy is to double the money supply and allow for a massive emission of rubles. The economy could absorb it. But in order for this measure to have a positive effect that would be worth the price in terms of higher inflation, there must be a clear program to target the money in terms of time, region, social group, and branch of the economy (down to the level of the individual enterprise).

We would have to be very clever in the allocation of this emission. But we are paying a price for our current political stability. Primakov has a wide coalition, but this coalition won't be able to agree on any clever plan. He needs a homogenous team to devise such a targeted program. Even if Yabloko alone had to develop such a plan, it would find it very difficult.

There is also a touchy political issue. If you start printing money, you must prevent rubles from rapidly being converted into dollars and sent abroad. So you must temporarily suspend conversion of the ruble. This will be very difficult because much of the economy depends on the circulation of dollars. But it is my deep conviction that the economy will not otherwise recover.

**Ambassador Brooks.** How much influence does the Duma have in this regard?

**Dr. Arbatov.** The Duma does have some influence over the executive, but lacks the power to compel it to adopt particular policies.

**Mr. McGiffert.** Do you have any questions about U.S. defense policy?

**Dr. Arbatov.** What will next year's budget look like?

**Ambassador Brooks.** It will be slightly higher. Most of the increased spending will go for readiness and to people (pay and pensions). The military and the DOD want to reverse some changes they made in the past regarding the retirement system. Congress also may try to increase spending on BMD. There is much support for this in the House of Representatives, but not in the Senate, so there won't be huge changes.

**Dr. Arbatov.** What will be the change in the level of ABM funding?

**Dr. Gaffney.** Around one billion, with most of it going toward increased spending on TBMD.

**Dr. Arbatov.** Please send me any information you have on the 1999 budget.

**Admiral Lopez.** I do not anticipate any increase in the top line.

**Ambassador Brooks.** I disagree. I expect the administration to increase its budget by \$9 billion.

**Admiral Lopez.** The military is not taking this into account.

**Dr. Gaffney.** The Joint Chiefs do not favor an increase in spending on national BMD. It draws funds away from people and readiness.

**Dr. Arbatov.** I will be in Washington from January 6-8, 1999. We should get together.

If START II is ratified, the Russian side will attach a long document with many conditions and restrictions. Two provisions will prove especially important for the United States: first, that implementation of START II not start until after the U.S. Senate ratifies the New York accords. Second, the document will state that if START III is not signed by December 2003, this may be considered as a reason for Russia to withdraw from START II.

**Ambassador Brooks.** The first provision sounds sensible, but there is one problem. Conservatives in Congress may resist approving the

ABM enlargement agreement. I personally do not understand why the administration was so eager to extend the ABM Treaty to other countries. The TBMD demarcation agreement, which is also part of the New York package, could face problems with Senator Helms.

**Dr. Arbatov.** I also do not understand why the administration considered enlarging the ABM Treaty so important.

**Ambassador Brooks.** It goes back to the days when Ukrainians complained they were not being fairly compensated for surrendering their nuclear arsenal.

I heard that some Russians had expressed concerns about PGMs?.

**Dr. Arbatov.** PGMs and tactical nuclear weapons (TNWs) are listed in the document as an issue of concern, but this does not really make sense. No one can define a PGM from a legal point of view. The linkage largely reflected political considerations.

**Ambassador Brooks.** The same thing often happens in the United States. Political factors affect treaty language

**Dr. Gaffney.** How is the Russian Navy doing?

**Dr. Arbatov.** The navy is last in line for funds. The fault here lies mostly with the navy's leadership. They have not been able to formulate a clear role for the navy, given Russia's new defense requirements. After the Cold War, the navy is seen as good mostly for purposes of prestige. It is unclear what contingencies we could ever use it for. The navy's main contribution has been to strengthen Russia's strategic deterrent. The relevance of the rest of the navy, including the surface force, is unclear. (He was quite angry with the navy pushing ahead to complete the cruiser *Peter the Great*, which they did for the 300<sup>th</sup> anniversary celebration). The navy's leaders resist clarifying its role for fear of losing ships. Instead, they claim it can do everything, which is clearly not the case. Morale is also deteriorating.

I just wrote a memo to Sergeev complaining about the navy in connection with certain electoral violations in a naval academy in Petersburg. I tried to approach Kuroyedov and his subordinates informally, but they instructed me to proceed through official channels.

## Russian Defense Reform

### Meeting with General Manilov, Deputy Chief of the General Staff

Ministry of Defense, Moscow, 9 December 1998.

**Ambassador Brooks.** When we last met, we talked about military reform. I know this is a very difficult process. Are you pleased by how things are going?

**General Manilov.** I am not pleased we have been unable to do more, but I am pleased that we made some accomplishments despite the serious financial obstacles we faced. In 1998 we filled 90% of our plan:

- We finished integration of the Strategic Rocket Forces, space forces, and space defense forces. It was difficult. This has both saved one billion-plus rubles and increased the forces' efficiency by 15-20%.
- We just completed integration of the Air Force and the Air Defense Forces. We have eliminated hundreds of parallel and duplicate units. As integrated systems, they will be more effective.
- Reform of the ground forces is beginning. We have reformed the Department of the Ground Forces. The rest of the reform will involve a range of forces, including engineering troops and other general purpose forces. We are beginning to fully man our ground units. They are now more ready and well-equipped for their tasks.
- We have taken serious steps in reforming our system of logistics ("rear provision"). We have taken a total inventory. We eliminated old structures that were no longer needed given the new threats. Rear defense structures are now more oriented to meet local threats rather than a global nuclear war.
- We also have proceeded to reform our procurement and technological-development systems. We are eliminating parallel and duplicate structures. For example, we have several types of tanks and other weapons systems that are largely the same

because military purchasers ordered them in parallel without regard for the need for standardization.

- We are reforming the system of military education and training. We are reducing the number of military education institutions to 157, and dividing them into two levels (beginning and higher). We are improving the quality of training.
- The Russian armed forces were reduced by 402,000 people this year. President Yeltsin has instructed us to reduce to 1.2 million people by January 1999, and we will do it. We must lay off people, and we have to pay for this—by providing discharged officers with housing, for example. But we are solving this problem—we will provide for 16,000 officers this year.

We could of course do much more if we had the money. Officers remain without pay for several months at a time. Our forces also need better organization to eliminate gaps. Another task is to improve the status of the armed forces in the society. The government is aware of these problems. The budget is now being considered in the Duma. It is supposed to amount to 3.5% of GDP, but we can't reach that yet. We have to do what we can with what we get. We have to use the internal resources of the MOD for better organization. We are up against Russian stubbornness.

**Ambassador Brooks.** You speak of your organization's ability to meet these new threats.

**General Manilov.** The country is facing new challenges after the Cold War: national and ethnic strife, religious extremism, terrorism, illegal arms transfers, and drug trafficking. Much of our borders are unprotected. Not all Russian military forces are prepared to meet these tasks. We are working closely with other CIS members on these issues. Tajikistan is a big problem, as is the Caucasus.

The Russian armed forces face two tasks: to deter large-scale (including nuclear) war, and to prevent and manage local conflicts. The latter task entails the requirement to work with other countries on peacekeeping operations under UN or OSCE auspices in the Balkans, Central Asia, and the Caucasus.



**Admiral Lopez.** I would have listed the same threats from the U.S. point of view. I also would have listed instability. In the United States, we are wrestling with the problem that the military forces that we had during the Cold War are not structured optimally to deal with new threats. They must be lighter and more flexible, and stationed in a different way than before. We see this as something that will take place during the next few years. The U.S. Navy and Marine Corps are postured to deal with this issue, but even with two-thirds of the earth covered with water, they can't do everything. Many threats require the use of ground troops. So the question is how and when you change what you buy, and how you use your forces to deal with instability.

**General Manilov.** You are quite right. You also need strategic mobility so that your forces are in the right place at the right time. We are creating an early warning system to identify threats. We are continuing to work on improving our missile early warning system. We also provide certain forces for peacekeeping operations, such as the rotation of our forces in Bosnia. We are trying to improve the morale of our forces and acquire new equipment.

I must leave now. I hope we will have an opportunity to continue our discussions later. I fully support the development of our ties. It serves the cause of peace and stability in the world. I wish you success and prosperity.

## Prospects for US-Russian Arms Control

**Meeting with Ambassador Berdennikov, Director for Security Affairs and Disarmament, Ministry of Foreign Affairs**

Ministry of Foreign Affairs, Moscow, 9 December 1998

**Amb. Berdennikov.** I am working with the Duma on a daily basis on START II ratification. Politics is heavily involved in the process. One sees a lot of maneuvering for the upcoming elections. Many believe the safest thing to do is to wait until the next Duma is elected.

Russia's poor economic situation is not helping matters. Many deputies say, "why have more treaties if Russia does not have the funds to implement them?" In the case of the CWC, the main argument

against ratification was that we lacked sufficient funds to implement it. The government had put funds for it in the budget, but this was ruined by the crash.

Another impediment to Duma ratification is U.S. non-implementation of START I. Deputies ask why we need another treaty when the Americans do not implement the old one.

We are trying to convince them that the best option is still to ratify the Treaty. After that, we plan to begin negotiations on START III as soon as the U.S. Congress approves the New York agreements.

**Ambassador Brooks.** Congressional approval of the amendments to START II will not be a problem, but the demarcation agreement might be. Senator Helms has spoken against it. The administration will need to exert strong pressure.

**Ambassador Berdennikov.** We have heard conflicting reports. Most people in the administration seem upbeat. The U.S. position, as far as we can tell, is that we should start START III negotiations as soon as the Duma ratifies START II, without waiting for the U.S. Congress. We have on a number of occasions proposed not even waiting for our own ratification, but many people in the Duma want us to wait until the U.S. Congress ratifies the New York package.

On the ABM Treaty, if you withdraw or are in material violation of it, that will change things. We will be very suspicious.

**Ambassador Brooks.** That won't leave much time before the elections. What do you see as the main issues? What do you want us to do differently so as to make things easier?

**Ambassador Berdennikov.** The next crisis we might have would be related to the CFE Treaty. If we do not come to an agreement on how to count the forces of the countries that will join NATO before they become alliance members, we will have to consider NATO in violation of the Treaty.

**Ambassador Brooks.** The Treaty was written at a time when we had no idea how the world would look.

**Ambassador Berdennikov.** We must come to an understanding on the basic issues so that we can convince the Duma that the adaptation process is proceeding. This would perhaps postpone any scandal regarding the Treaty until next November's OSCE summit, by which time we should have a new treaty.

We are getting a mixed response to our ideas. The Europeans seem favorable, the Americans less so. I still believe resolution of the issue is possible.

**Ambassador Brooks.** What other issues do you think will bother us?

**Mr. Berdennikov.** How far and how fast we will proceed in START III. The issue that might overwhelm START III altogether is if the United States plans to go out of the ABM Treaty.

**Ambassador Brooks.** What do you mean by "go out?" Suppose we want to open negotiations to change the Treaty.

**Ambassador Berdennikov.** We are against it. Of course, it depends on what you want to change in the Treaty. We had a positive change in 1974. But we will look at any proposed changes with very suspicious eyes, especially since we have a demarcation agreement. We think that American and Russian concerns can be met through non-strategic BMD.

**Ambassador Brooks.** At some point someone may decide they needed to take actions that would not be consistent with the Treaty. There has been an increasing concern within the United States about ballistic missile defenses because of the recent North Korean launch, the Rumsfeld panel report, etc.

When you and I first became involved in arms control, it was the only thing in our relations we really talked about. Now there are many different areas. I wonder if this makes it easier or harder for us?

**Ambassador Berdennikov.** For me it makes life easier. I have fewer papers to write. But overall, it is hard to say.

**Admiral Lopez.** What about the impact of PGMs?

**Mr. Berdennikov.** This is still a worry for arms control, since our worst case scenario is that you will develop conventional weapons as effective as their nuclear counterparts. But people are in the dark about how to treat them.

**Dr. Gaffney.** We have studied PGMs for 30 years, and they will never reach the level of effectiveness as their nuclear counterparts.

**Mr. Berdennikov.** You studied them from your perspective. Perhaps we will conclude differently.

**Ambassador Brooks.** PGMs are not really a substitute for nuclear weapons, though some Americans seem to think so.

**Mr. Berdennikov.** Another possible issue is information weapons, which could be used against command and communication sites. We're in the initial stages of thinking about this.

**Ambassador Brooks.** They are a concern for some Americans as well. But even if you consider them a real threat, it seems very difficult to be able to find an arms control solution. How do you monitor someone sitting at a keyboard somewhere?

**Mr. Berdennikov.** We are at the very initial stages of thinking about this issue. But I can safely say now that we must not forget about it.

**Admiral Lopez.** PGMs must be considered, but it is hard to mix them in with nuclear weapons. PGMs require perfect intelligence and application to work, whereas you need neither to use nuclear weapons. PGMs are also cleaner. I had not realized Russians' concerns with PGMs before I made this trip.

**Mr. Berdennikov.** The issue will not be so important if we are partners. But if we approach these weapons from the perspective of their possible use against us, it is a different matter.

**Ambassador Brooks.** For the next few years, we will be partners in some areas, but not in others.

What can we do if it is true that some here worry about PGMs? We probably can't find a good arms control solution to this issue. Have

you given any thought to the less formal things the United States can do?

**Ambassador Berdennikov.** Let me give you an example. There is talk now that NATO does not need UNSC approval to use force. This is a completely new situation and it worries us.

**Vladislav L. Chernov** [a Berdennikov aide responsible for Vienna-related issues]. Another matter of concern is that NATO and the United States refuse to discuss the most humble naval transparency measures within the OSCE framework. This will prevent OSCE and the Vienna document from being fully realized. In the review sessions of the Vienna document, we are not discussing emergency situations—just advanced notification of planned exercises. We are prepared to reciprocate on related issues.

**Ambassador Brooks.** The U.S. Navy has for a long time resisted such discussions. It is not so much the first step they fear. Rather, they are alarmed it will lead to other steps. The Navy needs to retain the flexibility to adjust its operations even at the last moment.

**Ambassador Berdennikov.** The same is true with respect to land forces.

**Ambassador Brooks.** Navy leaders believe such restrictions would affect them more. They pride themselves on their flexibility.

Submarines present another problem. Even during the negotiations surrounding the Incidents At Sea Agreement, we only discussed restrictions on military activities above and on the seas, and not under them.

**Mr. Chernov.** Europe is not the Middle East. We have absolute transparency with respect to ground forces. The total refusal of the United States to discuss naval CBMs is a bit strange.

**Admiral Lopez.** When I was in command of U.S. forces in the Mediterranean, I made it a point to try to be as transparent as possible in everything we did. I also insisted that my forces be open to change. I canceled all my old exercises, which had Russian forces sweeping down from the north. I listened to Secretary General Solana's ideas

about the threat being instability and from the south, so my exercises involved peace operations and humanitarian operations.

**Ambassador Berdennikov.** But we didn't know anything about that. You could have shared that change with us.

**Admiral Lopez.** I invited Russians to participate in many of the exercises, but because of financial or other considerations they declined to do so. We believe that the key to the future is a very strong military-to-military relationship, especially with Russia. I wanted to work in a framework of dialogue and transparency, so I agree with you to a point.

**Mr. McGiffert.** How does one deal with the argument that NATO should not need UNSC approval to act because it should not give China a veto over its decisions in, say, Bosnia.

**Ambassador Berdennikov.** I understand the importance of this consideration for purposes of self-defense. But even if this being done for a completely good cause, such as peacekeeping, it should get UNSC approval. Otherwise, the role of China, Russia, and many other non-NATO members in such conflicts will be zero. We will be completely insecure. If you use force in Bosnia without asking us, then you can use it against us. We will then have to take PGMs into account.

Countries rarely use vetoes in the UNSC. Even during the Cold War, most Soviet vetoes were directed against the admittance of new members. In the case of NATO's use of force for purposes other than self-defense, we want to be sure that the alliance takes no action against us.

**Mr. McGiffert.** Let's take NATO out of the equation, and focus on U.S. actions against Iraq.

**Mr. Berdennikov.** Iraq was a classic example of the UNSC working well. We were together on the issue in 1990-91. This year you said you were on the brink of bombing Iraq again. We were against it. Bombing would have ended the sanctions. You either would have had to send in your troops, or it would have been another half-measure that would have just solidified Saddam's position again.

**Ambassador Brooks.** Could you go back to the idea of being willing to discuss advanced notifications of naval operations? I am looking for ideas that do not fall into the framework of formal arms control agreements. Two years from now you will be trying to convince the Duma to ratify START III. What can the United States do now to make things easier for you, recognizing of course that the most important factor will be our overall relationship?

**Ambassador Berdennikov.** What about the Comprehensive Test Ban Treaty (CTBT)?

Ambassador Brooks. I was afraid you would ask me that. Helms says the Senate Foreign Relations Committee will not take it up until it deals with the demarcation agreement. This will not occur until the Duma ratifies START II. We could get a repeat of what happened with START I and START II, when he voted against the treaties but still allowed them to go through the Committee. If he resists, the administration will have to put a lot of pressure on him. In the past, such as with the Law of the Sea Convention, it has not done this very successfully.

**Ambassador Berdennikov.** One more thing that worries us is the fate of the Non-Proliferation Treaty (NPT). As we see it, the American side does not show sufficient flexibility to keep the NPT in good shape. This spring, the second preparatory committee for the upcoming NPT review conference ended in zero. The Arabs wanted to at least repeat what Israel and the United States already had agreed to in the 1995 resolution on indefinite extension. The U.S. side refused despite the fact that even the other NATO countries favored it. Now the Arabs are threatening to walk out of the NPT. If they do this, and one considers the damage to the NPT that was inflicted by India and Pakistan, then we have the remnants of NPT on our hands.

So my message to you is that the problem is serious. We want the NPT to be strong and kicking.

**Ambassador Brooks.** As you know, the positions of the current Israeli government made it very difficult to attain the Wye agreements. To get them implemented, we had to convince the Israelis that we would

remain a strong friend. But I agree that it sends a very powerful signal when you go back on something that you had agreed to earlier.

**Ambassador Berdennikov.** It looks like you are going backward on a subject of vital interest to Russia.

## Russian Arms Sales

### **Meeting with Grigory Raporta, Director General of the State Corporation Rosvooruzhenie**

Moscow, 10 December 1998

**Mr. McGiffert.** How do you prioritize what you do?

**Mr. Raporta.** We are a state company, but we also are a commercial company. Our money comes only from sales. The Russian state has placed a very strict framework on our sales, which take into account Russia's security concerns. We also face competition from other Russian companies that have the right to sell weapons abroad. We also try to coordinate our efforts with Ukraine. Many of our weapons are produced jointly.

**Admiral Lopez.** I would think you could make a lot of money through life-cycle costs and leases. Are you having success in long-term maintenance contracts?

**Mr. Raporta.** It varies. We do a lot of different types of maintenance. We have both long- and short-term contracts, some on the so-called "offset" basis. It depends on the conditions put forth by the country.

**Dr. Gaffney.** Do you basically sell to countries? Do you sell from stock?

**Mr. Raporta.** Yes. A separate organization sells from stock.

**Mr. McGiffert.** Do you finance arms sales?

**Mr. Raporta.** When we have money, we finance. But when we do not, we have to do other things.



**Admiral Smith.** Could the United States lease a submarine for three months? We are particularly interested in the Beluga submarine.

**Mr. Raporta.** It is technically possible if it does not contradict the government's security policies.

**Ambassador Brooks.** How much training do you provide? We find that with sophisticated equipment we need to do a lot of operational training with the country.

**Mr. Raporta.** We can undertake operational training only with the assistance of our military. We have special relations with the Ministry of Defense.

**Dr. Gaffney.** Do you give them part of the proceeds?

**Mr. Raporta.** Yes.

**Mr. McGiffert.** Must you give some of your proceeds to the government?

**Mr. Raporta.** The money goes mostly to the producers of the weapons. We take a commission, on which we pay taxes, so the government gets some of the money.

Another company deals with sales of weapons that are in the inventory of the Russian armed forces. We mainly sell new weapons, and are therefore more closely tied to the producers.

**Ambassador Brooks.** We have recently seen a great reduction in spending on new weapons, especially in Asia. The shrinking world market must create a difficult time for you.

**Mr. Raporta.** This is perhaps the biggest problem. We try to overcome it through lower prices and better quality.

**Admiral Lopez.** When someone buys a piece of equipment from you, do you provide some kind of warranty or guaranty?

**Mr. Raporta.** Yes.

**Mr. McGiffert.** Are the weapons producers still government-owned companies.

**Mr. Raporta.** It varies. Some are still public, some are joint stock companies.

**Mr. McGiffert.** What have you been able to sell to America?

**Mr. Vadim V. Kozhevnikov** [Regional Director for the United States, Canada, and International Organizations]. One of our most important contracts was to provide S-300 SAMs to the United States, but there was some payment problem on the American side. We have also sold small items such as rifles and aircraft ejection seats.

**Dr. Gaffney.** For a long time there was a discussion of the possible sale of a supersonic cruise missile target to the U.S. Navy.

**Mr. Kozhevnikov.** Negotiations continue, but thus far without results.

**Mr. Raporta.** An area of possible future cooperation is to use Russian missiles to launch satellites. This is mainly done by the Russian space agency, but we have some business in this area.

**Admiral Lopez.** Do you do any business with NATO as an organization?

**Mr. Kozhevnikov.** Not yet. NATO enlargement remains an issue. We sell weapons to East European countries, who already have a lot of Soviet- and Russian-made weapons. We have exchanged visits with senior NATO officials. An important issue is the modernization of T-72 tanks all around Europe, which involves NATO, Russian scientists, and the Russian military.

**Mr. Raporta.** We are very much against NATO enlargement. It is depriving us of markets.

**Dr. Gaffney.** One can note the contradiction here. New countries with a lot of old weapons are joining NATO, and no one is sure what aspect of CFE they fit into.

**Mr. Raporta.** We have some agreements with Czechoslovakia, Hungary, and Poland, but not many.

**Mr. McGiffert.** The problem arises when these countries assume that to be part of NATO, they must have Western equipment.

**Mr. Kozhevnikov.** We also have tried to sell weapons to South Korea, to whom Russia has a big financial debt. But when we tried to sell them the S-300 SAM system, the Americans told the South Koreans they couldn't do it, and threatened not to defend South Korea if the sale took place. The South Koreans bought an American system instead, despite Russia's price and quality advantage.

**Ambassador Brooks.** The arguments I have heard against buying the S-300 are technical, not political. It is technically difficult to integrate the S-300 and the Patriot system.

**Mr. Raporta.** Our producers say they can integrate everything; it is just a matter of money and time.

**Admiral Smith.** The Israelis have been helping Turkey operate some Russian aircraft. Do you help the Israelis with this?

**Mr. Raporta.** We should develop our relationship with Israel in this area. It is a matter of mutual trust. That is why we are interested in developing our relationship with NATO.

**Admiral Lopez.** Economic ties are key for cooperation.

**McGiffert.** One reads in the newspapers that Russians are eager to resume arms sales to Iraq. Is this true?

**Mr. Raporta.** We do want to lift the embargo on Iraq, but not for that reason. It is a matter of principle. We need a policy of sticks and carrots. At present, we only use sticks. We need to think of carrots to reward Iraqi cooperation. We do not currently sell anything to Iraq. But if the Iraqi arms market opens again, we will try to sell there. And I expect to see a lot of my American and British competitors doing the same thing.

**Dr. Gaffney.** This does raise an interesting question. The United States did not actually sell weapons to Iraq, just some dual-use items. How does your country deal with dual-use items?

**Mr. Raporta.** We have an export control commission. To sell military goods we need many licenses, including from the Ministry of Defense and the Ministry of Trade. There is another company for military technical sales.

**Admiral Smith.** Do you have an office in Brussels?

**Mr. Raporta.** We would open an office in Brussels if we could sell there.

**Ambassador Brooks.** Do you have many foreign offices?

**Mr. Raporta.** Yes, in China, India, and elsewhere.

**Mr. McGiffert.** We mainly get paid in hard currency.

**Dr. Gaffney.** How is the Security Council doing, given the drastic political changes in recent months. We were disappointed to see Andrey Kokoshin leave. Our program of seminars with ISKRAN had begun in the early 1990s in cooperation with Kokoshin.

**Mr. Raporta.** I was only there half-a-year. Kokoshin made progress in establishing the Security Council as a significant player in international politics. His successor (General Bordyuzha) has continued this trend. Now maybe the role of the Council's head will be even bigger, since he combines the responsibilities of chief of the Presidential staff.

## **The View from the Russian Security Council**

### **Meeting with Ambassador Uspensky**

Office of the Security Council, Moscow, 10 December 1998

**Ambassador Brooks.** We are both waiting for the Duma to ratify START II.

**Ambassador Uspensky.** Yes. We also are waiting for the U.S. Congress to ratify the New York agreements.

**Ambassador Brooks.** I know the administration plans to submit the New York package as soon as the Duma has acted. I expect the Congress to quickly approve those agreements dealing with START II and START III, but there will be more debate over those agreements dealing with the ABM Treaty.

**Ambassador Uspensky.** I want to return to the ABM Treaty. The Duma had a long and detailed discussion on the issue last week. It decided to postpone further discussions until next Tuesday, and then the government can put forth a resolution for the Duma's consideration.

The situation in the Duma has changed greatly over the last six months. There is no formal opposition to the Treaty, just a series of technical questions. The Deputies want a more detailed report than the short covering note the executive originally provided.

**Ambassador Brooks.** Is this one of your responsibilities on the Security Council?

**Ambassador Uspensky.** In this case, the Ministry of Defense and the Ministry of Foreign Affairs take the lead, and they coordinate with the Security Council.

**Ambassador Brooks.** This is the same as in the United States. The State Department takes the lead on arms control matters. The National Security Council's job is to make the State Department and DOD work together.

**Ambassador Uspensky.** Our role is that of a coordinator.

**Ambassador Brooks.** Does arms control take most of your time?

**Ambassador Uspensky.** Unlike the U.S. National Security Council, the Russian Security Council deals with both foreign and domestic issues, including military reform and matters of internal security. My own department is the International Relations Department. We try

not to compete with the Ministry for Foreign Affairs, but we spend a lot of time on arms control issues.

President Yeltsin explicitly allotted the Security Council the issue of export control. We work with the other Russian agencies involved in this area, and maintain an active dialogue with our U.S. counterparts.

**Ambassador Brooks.** I would think that our interests with respect to nonproliferation are very close. But I hear that we are not working well together.

**Ambassador Uspensky.** We have disagreements on nonproliferation issues and on the ABM Treaty. I met with a number of U.S. Congressional staff members when I visited the United States, and I was struck by the levity with which they approached the issue of preserving the ABM Treaty. Their attitude was that we could not really take seriously a treaty that was signed 25 years ago. (He met with Sen. Helms' staff.)

**Ambassador Brooks.** In the United States there is a strong minority view that the ABM Treaty, whether or not it was a good idea in 1972, is no longer a good idea today. They point out that the world has changed since then: there is no Soviet Union, and threats have arisen that did not then exist. The recent North Korean missile launch is seen in Washington as an indication that ICBMs can be built much more quickly than we anticipated.

Political trends seem to be moving toward the deployment of some kind of national BMD. Sooner or later, the USG will ask Russia to modify the Treaty. I think it will happen in the next few years. There are far fewer people who would want to eliminate the Treaty, and you appear to have met with them.

**Ambassador Uspensky.** This is a very serious question. The ABM Treaty always has had difficulties, for example with regard to broad vs. narrow interpretations, but it has always survived. It still remains a cornerstone of strategic stability.

**Ambassador Brooks.** The cornerstone of stability is that Russia must be certain that it cannot be blackmailed because it has the capacity to retaliate against the United States with nuclear weapons. It is possible

to think about changes to the ABM Treaty that wouldn't alter this situation.

**Ambassador Uspensky.** Without those assurances, it will be hard to negotiate START III.

**Admiral Vladimir Sergeyevich Kryazhev.** The ABM Treaty does not only concern our countries. Breaking the Treaty will disrupt global stability.

**Ambassador Brooks.** For financial reasons the U.S. military is not very interested in national missile defense. But an influential political group is pushing for it.

**Ambassador Uspensky.** I recognize the recent developments are presenting us with new challenges. So we must act together so as not to weaken our national security. We are in full agreement with the U.S. side on nonproliferation issues, including the NPT, a ban on further nuclear testing, and an agreement that would involve a cessation of the production of fissile materials. But our areas of emphasis are different.

We think the United States is too focused on Iran, but we listen carefully to U.S. concerns and investigate all potential violations the American side brings to our attention. But we also share our concerns with the U.S. side regarding, for example, the Pakistani and Israeli nuclear programs. We have our own concerns about Iran. For example, the Iranian ballistic missile program employs American components and technology. We are more concerned than Americans about Iran's missiles, because they can reach our soil.

If you look at our dialogue in the aggregate, one gets the impression that the United States wants Russia to completely exit Iran. This does not correspond to Russia's interests. We have had many centuries of cooperation if not friendship with Iran.

**Ambassador Brooks.** You mentioned your concerns about Pakistan. You say that the United States contributed to Pakistan's nuclear program. Wasn't it China's assistance? Do you think the United States should have done something differently?

**Ambassador Uspensky.** U.S. companies continue to assist Pakistan's nuclear program.

**Dr. Gaffney.** The Canadians took the lead in Pakistan. The Germans took the lead in Iran.

**Ambassador Uspensky.** In Pakistan Americans provided the basic work and technology. I mentioned this example just to show we have concerns about U.S. policy. Our dialogue must involve a "two-way street."

To some extent we are grateful to the American side. U.S. pressure accelerated Russia's development of "catch-all" export controls. We are drawing on U.S. practices and experience in this area. Yet, Americans must remember that you have had an export control system for 25 years, whereas the Russian system is only 5-7 years old.

The Duma is presently discussing a new law on export control. We just reached an agreement last September to establish seven working groups on export control. This has proved very useful. We have exchanged information on licenses, fissile materials, and customs practices.

**Ambassador Brooks.** The problem arises because, at a time when Russia very much needs export revenue, one of the few things Russia can sell to other states is nuclear technology. In my country it is very difficult to maintain a proper balance, and we are not in such economic trouble. Who is responsible for maintaining the balance between increasing trade and export controls?

**Ambassador Uspensky.** It is not us; our role is that of coordinator. This is the task of the government, especially the Commission on Export Controls. We are members of the Commission, but so are all other agencies involved in military export issues. It is the function of the Ministry of Foreign Affairs to provide the actual licenses. We have nothing to do with the enterprises that produce the weapons.

The last word on licenses belongs to the Commission, but the day-to-day work is done by the Ministry of Trade and the Federal Commission on Currency and Export Control, which issues the actual licenses



after assuring itself that the planned exports fulfill the legal requirements.

**Ambassador Brooks.** You deal with more than export controls. What from your point of view are your most important issues? How does the world look like from your point of view?

**Ambassador Uspensky.** The Ministry of Foreign Affairs is in charge of the entire foreign policy system. Our role is coordinating Russian government policies against both internal and external threats. The Ministry of Foreign Affairs would find it hard to play a coordinating role because other agencies are involved. It is much easier for us.

We also play other roles. For example, we coordinate the work of a wide range of ministries in the Kaliningrad region, which is a part of Russia that is very closely involved with other countries. With respect to export controls, we can accelerate the decision-making process.

We have a presidential system. We must propose policies to the President for all issues that threaten Russia's security. This is our official duty, coordinating the work of all the other ministries.

Arms control is another important issue. For example, we were deeply involved in the recent adoption of the U.S.-Russian agreement on the early warning of missile launches, though we remain unclear over how best to put it into practice.

**Ambassador Brooks.** We are not very clear about this agreement in my country either. We both fear some kind of misinterpretation, but how to share information is unclear. We raised the issue with the General Staff. Although they liked the idea, they are naturally uneasy about relying on information provided by foreign sources. But it is a very important idea.

**Mr. McGiffert.** What do you see as the major security threats to Russia?

**Ambassador Uspensky.** The main threats are internal: the economy, federal relations, and the so-called "hot spots," especially the Caucasus. But everything depends on economics. If we could solve the eco-

conomic crisis, the resolution of the other problems would be much easier.

**Ambassador Brooks.** It definitely is a very difficult time for you. It is unclear how other countries can help.

**Dr. Gaffney.** We fear the money going to Swiss banks.

**Ambassador Uspensky.** The government recently took a decision to regulate capital flows, but this is not my area of expertise. The Security Council has its own economics department.

**Admiral Smith.** You should be happy you are not in charge of economic policy.